

JANUARY, 1957

*Credit and*

# FINANCIAL MANAGEMENT

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ST. PAUL

A Good Business Year  
Ahead Despite Unrest  
Overseas, Say Leaders

See Wholesale Price  
Index 115.9 July 1st,  
Production at 142.5

Banks Adopt a 3-Way  
Strategy to Improve  
Their Public Relations

New Processing Setup  
For Purchase Orders  
Changes 7 Jobs to 1



Bank and Public (See Page 13)

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## In the News

**S. C. HIERONYMUS**, assistant vice president, Third National Bank, Nashville, has been elected president of the Nashville Chapter of the National Association of Cost Accountants. Mr. Hieronymus is past president of the Tulsa and Nashville credit men's associations.

**MICHELL S. LURIO**, president of Lexington Company, Boston, commercial finance company, is now president of Henry George School.

**MRS. JULIA EDRINGTON**, credit manager, Glenmore Distilleries Company, Louisville, Ky., has been elected president of the Kentucky-Louisville chapter of the Women's Association of Allied Beverage Industries.

**AL N. SEARS**, vice president of Remington Rand, division of Sperry Rand Corporation, New York, is chairman of the Metropolitan New York chapter of The Institute of Management Sciences (TIMS).

**JOHN H. RAWLINGS**, senior partner in Rawlings, Andrus and Curbo, Memphis CPA's, has been elected commander of the Spanish-American War Veterans.

**JOHN A. REILLY**, president of Second National Bank, Washington, D.C., has been appointed to the National Stadium Commission.

**E. W. JOHNSON**, vice president, First National Bank, Tampa, Fla., has been elected president of the local American Red Cross Chapter.

**DONALD M. DRESSER**, executive vice president, The Toledo Trust Company, has been named treasurer and a trustee of the Toledo Chamber of Commerce, and treasurer of the Community Chest.

**M. RAYMOND RILEY**, vice president, National State Bank of Newark, was chosen by the mayor of Orange, N.J., to head the citizens' sesquicentennial committee.

**STANLEY B. TROTT**, president, Maryland Trust Company, Baltimore, and past president of the Baltimore Association of Credit Men (1948-49-50) has been elected a trustee of Western Maryland College.

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Casualty Insurance, Fidelity and Surety Bonds

This Home Insurance Company advertisement talks to people who own cars—your customers and ours.

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Your local agent of The Home Insurance Company will be glad to cooperate with you in every way he can. Get acquainted with him.



## EDITORIAL

*Henry H. Heimann*  
Executive Vice-President

### *A Better World*

**C**ONCENTRATION of power in the hands of dictators is a necessity if subjects are to be kept in line and their inborn spirit of rebellion against enslavement is to be suppressed. Dictators always use this power inhumanly to control or destroy opposition. The liquidation of human beings, which is murder, does not freeze them. They have no conscience. They act as though they were inspired by the devil. Greed, brutality and cruelties comprise the dictators' armor.

Notwithstanding, all the power in the world held by any one man or group of men, however wicked and cruel, can never wholly destroy spiritual convictions. When Hitler ruled Germany with an iron hand and people were forced to submit, a small group with strong religious convictions held out. Even concentration camps did not obliterate their souls' desire to practice their faith.

There are usually two causes for the failure of dictatorships. By their own greed and lust for power they reach a point where they can extend their empire no further, nor can they subject people to more oppression. It is then that the rumblings of discontent and unrest begin. Soon their own excesses destroy them.

*The second and more important reason is that dictatorships always seek to liquidate faith in a Supreme Being. Dictatorships and faith are incompatible. They use every artifice at their command to ridicule religion. They particularly work on the young. The young, however, in their homes bear from their parents about the beauty of life when it is free, when one can worship as he pleases. Suppression of religion merely intensifies their desire to become free.*

There is a tremendous lesson to be learned from the uprising of the satellite nations, just as there was in the final collapse of the dictatorship in Germany. That lesson is the great value of faith to civilization. From the dawn of history no measure of oppression has ever thoroughly liquidated one's natural desire to worship and one's deep belief in the existence of a Supreme Being.

Spiritual conviction carries its own reward—peace of mind. It stimulates those who believe and keeps their hope alive when all else seems to have been taken from them. The Kremlin are learning this a little late; if they had gone into history they would have found it written on every page. Take away the family and the right to worship and you lay the foundations for rebellion.

The material future of the world also depends on faith. Faith in a business way is best expressed in credit. Credo means faith and trusting one another. In itself, credit is a spiritual symbol. The faith of credit is based upon performance, character and many other factors, and it is indestructible.

As we begin the year let us give these values of faith more thought and attention. We can exercise our faith not only in our daily lives but in our daily work. If all resolve to do this, the world will be a better place in which to live.

## THE JANUARY COVER

THE bank is looking at the public through trifocals these days, in a three-fold program to improve public relations.

In that program the credit executive should be a spokesman, says Alvin E. Roemershauser (center), vice president, Whitney National Bank of New Orleans, shown in the front cover picture with George P.



Bywater (left), vice president of the bank's credit department, and Thomas J. Adams, vice president and credit manager, The Times-Picayune Publishing Company, New Orleans. A biographical sketch of Mr. Roemershauser appears with his article on page 13.

Mr. Bywater, whose post-graduate as well as graduate education was had at Tulane University, has concentrated his business career on banking, finance and credits. He has been with Whitney National Bank 37 years, 15 in the bond and investment department, the last 18 years in credits. He is the son-in-law of Edward Pilsbury, NACM president 1936-37, and his wife Mrs. Nedra Bywater, is attorney for the New Orleans Association of Credit Men, of which he was a director for 12 years. He is also a past director, Southeastern Chapter, Robert Morris Associates.

Mr. Adams, NACM director and past president of the New Orleans association, attended Mississippi College and is a graduate of Bowling Green Business University.

Mr. Adams earned the Fellowship Award of the Credit Research Foundation in 1949. For several years he taught credit and financial management courses at Tulane University.

# FINANCIAL MANAGEMENT

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# Washington

¶ To encourage more saving, the 13,200 commercial banks have been authorized by the Government, effective January 1st, to increase to 3% (2½% maximum the last 21 years) the interest they pay on savings deposits. More than half the commercial banks actually have been paying less than 2½%, many maintaining a 1½% rate.

One predicted result would be to help commercial banks attract more funds for lending in this tight-money period when their increasing deposits have been more than offset by the demand for loans. The Federal Reserve Board, on the contrary, said it hoped the higher interest rate would encourage more saving by the public as an anti-inflationary move, rather than increase spending.

(A commercial bank can accept both savings and checking accounts and make loans against savings at \$2 for each \$1 on deposit, against checking accounts at \$6 for each \$1 on deposit, and so can create deposits by making loans.)

The regulations do not apply to savings and loan associations.

¶ PREDICTIONS for continued expansion and growth of our economy in 1957 are "good," but that means "expanding and more profitable markets for farm products, jobs at good wages for labor, and a sustained and growing volume of business and services for all," True D. Morse, undersecretary of agriculture and president of the Commodity Credit Corporation, told members of the Baltimore Association of Credit Men.

Noting that from Baltimore's port American farm products flow to various parts of the world while "coming in are fertilizers and other materials and products used on farms," Mr. Morse emphasized that both farm and city "will thrive best when there is active cooperation and clear recognition that each is dependent upon the other."

Final figures for 1956 will show farm income higher than in 1955, he said, while farm prices starting with June were above the 1955 figures. Dairy income he called 7 per cent higher, and cattle and hog prices were above the previous year. He said farm assets in 1955 went up \$3.5 billions to a record high of \$170 billions.

Mr. Morse declared liquidation of remaining surpluses urgent, to bring farmers stronger markets, larger incomes, and less acreage restric-

tions and controls. With the aid of the soil bank he predicted that at the current trend surplus could be eliminated within the next three years.

He pointed out that exports for 1955-56, exclusive of cotton, were at a 30-year high.

"Since 1953," the credit executives were told, in reduction of surpluses "we have succeeded in moving into constructive use commodities which cost Commodity Credit Corporation over six billion dollars."

¶ DR. RAYMOND J. SAULNIER, one of the three members of the Council of Economic Advisers, is its new chairman, following resignation of Dr. Arthur F. Burns. Dr. Paul W. McCracken, University of Michigan professor of economics, is the new member. Both Dr. Burns and Dr. Saulnier were professors of economics at Columbia University. Dr. Saulnier is reported to feel that housing has been handicapped by the Federal Reserve's latest restriction on credit.

¶ DECLARING the outlook for agriculture "encouraging," Secretary E. T. Benson says the Administration has no intention to drop its flexible price program.

"We're headed in the right direction and we'll not turn back," he told the National Grange at its convention in Rochester, N. Y.

¶ PROTESTING against the Interstate Commerce Commission's plan to eliminate oral testimony and regional hearings in consideration of its proposed general 15 per cent freight rate increase for the nation's railroads, representatives of 21 southern and midwestern states' railroad and utility commissions said no emergency exists to warrant such procedure.

¶ PROTESTS by spokesmen for life insurance companies and dealers in tax exempt bonds, that certain proposals for elimination of loopholes in the tax laws would only create new hardships without producing additional revenues, were met with a deaf ear by Rep. W. D. Mills (Dem., Ark.), chairman of the House subcommittee.

Wallace M. Jensen, for the American Institute of Accountants, which is suggesting 262 amendments to the tax laws, said only one of 28 recommendations of the joint Treasury-Congressional staff would liberalize the statutes.

A number of "hardships" against railroads

was attacked by Joseph M. Jones, a counsel for the American Association of Railroads.

The subcommittee seeks to avoid controversial issues so that Congress can act soon after the session opens.

¶ INCREASING the 1957 national cotton allotment to 17,585,463 acres, from 17,391,304, the department of agriculture reduced its 1956 crop forecast to 13,153,000 bales of 500 pounds gross weight, 115,000 bales lower than its October forecast.

¶ PRIVATE HOUSING STARTS will go down to one million in 1957, for the first time since 1949, according to official Government forecast. Dollar outlays will decline 5 per cent, despite anticipated cost rises and the movement toward larger houses. The 1956 expenditures for new homes are estimated at \$13.8 billions compared with the \$12.7 billions for 1947. Continuation of the trend of expenditures for home additions and alterations of existing houses was expected.

In all other kinds of construction, especially

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**OFFICIAL TEXTS** — of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

**THE FEDERAL REGISTER** — a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25.

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highways, schools and water facilities, an increase was in sight for 1957, to an estimated \$46.5 billions, with costs upward but not so fast as in 1956. In terms of expenditures adjusted for price changes, the overall physical volume will approximate the 1955 record, a slight increase over 1956. Increased private construction outlay by public utilities (\$5.75 billions) will account for much of the gain, plus rises in all new non-residential building except commercial building.

The federal housing commissioner "ups" the forecast of housing starts to between 1.1 million and 1.2 units, and that's in line with the estimate of the housing and home finance administrator.

The latter, Albert Cole, told the National Association of Real Estate Boards, meeting in St. Louis, that a loosening of housing credit is needed. But at the same time W. R. Burgess, deputy to the secretary of the treasury, was saying in Philadelphia that "the broad program of the Federal Reserve in checking the tendency toward over-expansion of credit has been helpful in keeping the pressures within bounds."

Another move to push home construction was a decision of the Federal National Mortgage association to purchase only newly-made Gov-

ernment-supported mortgages, giving the back of the hand to older mortgages, at least until Congress provides more funds. The purchases thus are confined to mortgages offered within four months after the date of the FHA insurance or the VA certificate of guaranty.

¶ FARM PRODUCTION is looking up, said the Department of Agriculture, despite drouth damage in some areas, and the harvest prospects were but moderately under the near-record a year ago. The 1956 corn crop was estimated at 3,335,730,000 bushels, wheat at 966,574,000 bushels.

Undersecretary True D. Morse called the standard of living of farm families at an all-time high. He told the National Sales Executives that "impressive gains are being made by farmers" despite their problems, and that net farm income for 1956 will be higher than for 1955 because of higher prices and good crop yields.

¶ MAINTENANCE of a "relatively" tight money market, under the Federal Reserve policy, "is a cheap price to pay if we can avoid further depreciation of the dollar," Ray D. Murphy, chairman of Equitable Life Assurance Society, told the convention of the National Association of Life Underwriters. He urged that the life insurance business "lead the fight for sound money."

¶ EXPORT QUOTAS for the fourth quarter were raised on copper scrap and certain other copper raw materials, with a quota of 6,000 short tons for new and old copper scrap.

¶ THE WORLD BANK will maintain its loaning policies despite criticisms of the 1 per cent commission charge, the refusal to lend to Governments in default on foreign obligations, and the insistence that loans be approved by the legislatures of borrowing countries, Eugene R. Black, president, told the closing session of the World Bank's annual meeting in Washington.

George M. Humphrey, secretary of the treasury, declared that "inflation is the cruelest form of theft," in asserting that the Government, meeting the problem of "financing both" needed defense and high prosperity without inflation, had balanced the budget and freed the economy from "artificial restraints," thus allowing "monetary policy to operate for the public good."

Continued improvement toward freeing international trade and payments was reported by the International Monetary Fund.

¶ REGIONAL directors of the Small Business Administration have been authorized by Wendell B. Barnes, administrator, to approve small business loans on their own authority up to \$100,000 when a bank is participating to at least 25 per cent. The objective is expedition of the processing of loan applications and reduction of the backlog of loan applications resulting from a sharply increased number of such requests.



# A Good Business Year

*Financial Leaders See 1957 Satisfactory, Not Spectacular*

UNREST among the Soviet satellites and in the Mid-East tempers the business outlook as projected by financial management participating in the annual poll of what's ahead, by *Credit and Financial Management*.

Militating against a "boom" year—though there are those who forecast one—is caution in management thinking, prefaced upon tightened governmental reins on credit, high interest rates, the stock market adjustment, "split control between the Presidency and Congress," inflationary pressures, the sharpening competition with its narrowing profits, increased Federal expenditures, and what one calls "inventory burdens."

Nevertheless, and on the assumption that world peace, however uneasy, will prevail, majority opinion holds that 1957 will be a good business year—not spectacular or record-setting, but satisfactory.

On one point all are agreed: credit management must face up to greater responsibilities predicated upon the soundest policies and operative procedures.—Ed.

## Production and Sales Continue Up But Management Is Being Cautious



F. H. ORBISON  
President  
Appleton Woolen Mills  
Appleton, Wis.

THE YEAR 1957 should be a good, though not a spectacular, business year. Good because the level of production and sales does not appear to be tailing off. Not spectacular because management thinking is characterized by the word "caution."

In part, at least, business caution results from the government's tighter control of credit. This is a stabilizing, anti-inflationary influence which is probably good for business in the long run. Its immediate effect, though, may be hard on some segments of the economy but will tend to flatten out any "boom."

The only inflationary pressure is the recent round of wage and price increases.

As for 1957, management merely seems to be uncertain about what's ahead and therefore cautious. None of these predictions means a thing, of course, if war breaks out in Europe or the Middle East.

Two other factors indicate the cautious mood of the times: the current stock market adjustment and the American public's decision to retain split control between the Presidency and Congress.

In our business, we see another excellent year, and prospects also appear good for the textile industry in general. Our sales are directly related to paper production and the paper industry is still expanding. 1956 has been the biggest paper year in history and, along with other suppliers, our industry has reflected this increased ac-

tivity. 1957 should continue, if not exceed, this record rate of production.

Very little softness is evident.

Moreover, the long-term growth of the paper industry is high. Over-expansion, if it exists as has been claimed, will be quickly brought back into balance by the huge demand for more and more paper products.

The tensions abroad have exerted at least one influence on our industry. The price of wool, our basic raw material, is up and supply is tight. But despite this problem, we look for a record year for us and a good year for business in general in 1957.

## Unrest in Satellites and Mid-East May Affect Business in America



A. F. STONE  
President  
American Credit Indemnity Company  
of New York  
Baltimore, Maryland

I AM NOT as optimistic as I was a year ago, as I am inclined to feel that the unrest that has occurred in the satellite countries and in the Middle East will have an effect on American business, and therefore my predictions are gauged with these thoughts in mind. (See Mr. Stone's forecasts of the mid-1957 Wholesale and Industrial Production Indices on page 10. He was runner-up with his Production Index prediction last January.—Ed.)

Perhaps I should add that I am hopeful that I am wrong in these views. I have never been pessimistic in my thoughts, no matter how bad a situation may seem. On the contrary, I have always been optimistic, feeling that things will turn out satisfactorily. (see next page)

# Despite World Unrest

## Cautious Management Thinking: More Credit Problems Looming

Therefore, in this case I am hopeful that world conditions will improve during the course of 1957, which will bring about continued progress in our own country as well as better conditions throughout the entire world.

### Total Economic Activity May Even Rise Above Records Set in 1956



B. F. EDWARDS, JR.  
*Vice President*

Bank of America N.T. & S.A.  
*San Francisco, California*

THE 1957 business picture looks good from where I sit. Total economic activity is likely to be even higher than in this record year of 1956. Industrial production for the year may well reach a level some 47 per cent higher than the average for 1947-49. At the same time, inflationary pressure on prices is likely to send the Bureau of Labor Statistics' wholesale price index up several points above the level prevailing this fall.

Most of the rise in activity will come from increased personal consumption expenditures, stimulated by high personal income. Auto sales will probably not set a record, but 1957 output should be as strong as this year's production, if not surpassing the 1950 mark. Outlays for new non-farm residences will probably be lower than they have been in 1956, but well above the magnitude of several years ago, while other construction seems ready to rise still further, as does investment in producers' durable equipment. Inventories may well increase a couple of billion dollars over this year's level.

Government expenditures will increase. Capital expenditure plans of state and local governments have been bolstered by approval at the polls of some \$2.4 billions in public bond issues. Perhaps more important, national security and other federal expenditures are on the upgrade, especially in view of the tense military and political conditions abroad. Although the present predicament of Britain and France promises a step-up in our oil exports, normal trade to various troubled areas of the world will undoubtedly be disrupted for some little while.

At this time, the outlook for money continues tight. Interest rates will probably stay high well into the year, accompanied by a continuation of restrictive borrowing terms. Although loans may be more difficult to get, borrowers of good credit standing should be able to find funds for sound and productive use.

### Another Good Year Coming, But Management Faces Bigger Task

B. EARLE WALKER

*Vice President and  
Credit Manager*

C. M. McClung & Co., Inc.  
*Knoxville, Tennessee*



MY INTERPRETATION of the 1957 business picture is that it will be a good year in general. It will be a satisfactory year in volume, not a boom year but a profitable year for those who apply wise planning, good management and ability to adapt quickly to changing conditions—those who have their financial houses in order and possess the fortitude and determination to keep them in order—those who do not reach for the moon simply because it is in view.

Employment is at a high rate, industry is still on the move, plant expansion continues. New buildings in new locations, new machinery, equipment, new products and new methods, new inventions, technical advances utilizing natural resources such as metal ores and petroleum and coal, atomic power development, increase in population requiring more goods and services, all speak in terms of increased business of all kinds.

However, I think manufacturing and other production of our nation exceeds the amount we can use, and some other nations who need and would like to buy have neither sufficient cash nor credit to buy what we can produce. There may be real inventory burdens for many by the middle of 1957.

Tax cuts, if any, probably will be small and will have little effect on business.

#### *Credit Management Most Important*

More business is transacted on credit than ever before. It follows that in 1957 credit and proper management of credit are more important for successful and profitable business operations than at any period in the past 30 years. Credit well managed is a definite, positive force in producing sales, but diligence and fortitude will be required next year to produce a satisfactory minimum ratio of credit losses.

Conditions now require that credit be better managed to transact more business on a lesser profit margin and yet maintain a satisfactory collection loss ratio. It is my observation that free, easy, liberal open account credit in recent years has not promoted a proper appreciation for credit as the equivalent of a loan for operat-

*(Concluded on page 31)*

# Wholesale Price Index Will Be 115.97 July 1st, Industrial Production 142.5, Forecasts Average

WILL the economy ascend to new heights in 1957? Or will there be a "breathing spell"? According to more than 100 financial executives who have called the turn for the first half in CREDIT AND FINANCIAL MANAGEMENT'S annual survey, the WHOLESALE PRICE INDEX for all commodities at midyear will have risen to 115.97. Peak figures were 111 in 1953 and 1954; 111.7 in 1955. At mid-1956 this Index was 114.2. At press time it is 115.5.

The INDUSTRIAL PRODUCTION Adjusted Combined INDEX, currently 145, at midyear will touch 142.5, in the composite view of these executives—presidents, vice presidents, treasurers, controllers and credit managers, as well as bankers and economists. (Highs for recent years were: 137 in 1953; 130 in 1954, and 144 in 1955. At mid-1956 this Index was 141.)

Responsibility for company profits rests largely on executives such as those canvassed in the CFM poll, a representative sampling of the more than 35,000 members of the National Association of Credit Men.

The forecasts range from 110 to 122 for the Wholesale Price Index, from 125 to 151 for the Industrial Production Index.

Participants apparently find "normal" progress extremely difficult to predict these days. One West Coast executive would revise both his estimates 10 to 15 points upward should there be hostilities. The international flareups further compound the complexities of tight money and inflationary pressures.

Last year both Indexes smashed through to new highs, not wholly unexpected by CFM readers, however. Three bank executives and two representatives of industry accurately forecast the 141 mid-year 1956 Industrial Production Index. (The average of all executives participating had been 139.1.) As for the Wholesale Price Index, three came within two-tenths of a point of the midyear 114.2.

Listed are the mid-1957 predictions of those participating. Note: The forecasts are by the executives as individuals, not for their companies.

The Wholesale Price Index base is that of the Bureau of Labor, U. S. Department of Commerce; 1947-49 average is 100. The Industrial Production Index base is that employed by the Federal Reserve Bank; 1947-49 average is 100.

Jot down your forecasts now, to compare with the official returns in next September's issue of CFM.

	Wholesale Price Index For All Commodities	Industrial Production Adjusted Combined Index
B. Earle Walker, Vice Pres. & Credit Mgr., C. M. McClung & Co., Inc., Knoxville, Tenn. . . . .	115.3	143
H. C. Knotts, Asst. Mgr., South Texas Appliance Corp., San Antonio, Tex. . . . .	121.0	146.2
Monroe F. Weyel, Secty. & Treas., Electrical Distributing Co., San Antonio, Tex. . . . .	120.8	141.2
August F. Stone, President, American Credit Indemnity Co. of N. Y., Baltimore, Md. . . . .	112.0	140
Lester E. Frankenstein, Vice Pres., B. Kuppenheimer & Co., Inc., Chicago, Ill. . . . .	116.4	145
T. M. Sherman, Director, Credit & Collections, Thompson Products, Inc., Cleveland, O. . . . .	117.0	146
B. F. Reinking, Feed Div. Controller, General Mills, Inc., Minneapolis, Minn. . . . .	116.3	140
E. W. Buge, Controller, Bernardin Bottle Cap Co., Evansville, Ind. . . . .	116.1	143
I. L. Hillman, Asst. Treas., Dravo Corp., Pittsburgh, Pa. . . . .	117.6	142.5

	Wholesale Price Index For All Commodities	Industrial Production Adjusted	Combined Index
R. C. Smith, Treas., Chase Brass & Copper Co., Waterbury, Conn. ....	117.0	139	
Joseph M. Miller, Secty. & Treas., Sterling-Midland Coal Co., Chicago, Ill. ....	116.1	140	
Elliot K. Reich, Asst. Vice Pres., Bridgeport City Trust Co., Bridgeport, Conn. ....	117.9	149	
Sidney M. Monroe, Asst. Vice Pres., The First National Bank and Trust Company of New Haven, Conn. ....	111.0	146	
W. Bruce Hosack, Credit Mgr., Plastics Div., Monsanto Chemical Co., Springfield, Mass. ....	118.0	148	
T. I. Wilkinson, Vice Pres., The Connecticut National Bank, Bridgeport, Conn. ....	110.0	138	
Francis M. Hernan, Vice Pres., Secty. & Treas., American Window Glass Co., Pittsburgh, Pa. ....	116.0	142	
Edward J. Martin, Vice Pres., John P. Maguire & Co., New York, N. Y. ....	116.5	145	
R. D. Andrew, Secty., American Blower Corp., Dearborn, Mich. ....	116.5	143	
W. H. McDonnell, Pres., 1st National Bank, St. Louis, Mo. ....	117.0	143	
T. F. O'Malley, District Financial Mgr., Graybar Electric Co., Inc., Richmond, Va. ....	119.9		
W. H. Coleman, Treas., Richmond Dry Goods Co., Inc., Richmond, Va. ....	116.5	142	
A. H. Hanssen, Credit Mgr., Davison Chemical Co., Div. of W. R. Grace & Co., Baltimore, Md. ....	112.7	143	
Noel J. Belcourt, Vice Pres., The Connecticut Bank and Trust Co., Hartford, Conn. ....	116.1	145	
Harald C. H. Rasmussen, Credit Mgr., Emerson Drug Co. Division, Baltimore 1, Md. ....	116.4	143.7	
Philip L. Glass, Vice Pres., Sterling National Bank & Trust Co., New York, N. Y. ....	115.5	143	
B. F. Edwards, Jr., Vice Pres., Bank of America N. T. & S. A., San Francisco, Calif. ....	117.5	148	
R. J. McKenna, Secty. & Asst. Treas., Toledo Plate & Window Glass Co., Toledo, O. ....	116.3	143	
Kenton R. Cravens, Pres., Mercantile Trust Co., St. Louis, Mo. ....	111.0	138	
V. C. Barnhart, Secty. & Credit Mgr., The Mine and Smelter Supply Co., Denver, Col. ....	117.3	142.2	
Edward F. Gee, Vice Pres., State-Planters Bank of Commerce and Trusts, Richmond, Va. ....	115.7	140	
F. M. Johnson, Treas., Magnolia Seed, Hdwe. & Implement Co., Dallas, Tex. ....	116.2		
Lawrence J. Hadley, Office Mgr. & Asst. Treas., Falulah Paper Co., Fitchburg, Mass. ....		145	
George P. Mahan, Credit Mgr., Cumberland Portland Cement Co., Chattanooga, Tenn. ....	116.5	144	
R. Z. Hensley, Asst. Secty., Greene Hdwe. & Supply Co., Inc., Kingsport, Tenn. ....	114.5	140	
John R. Mueller, Asst. to Treasurer, Carpenter Paper Company, Omaha, Neb. ....	115.8	143	
James O. Barnthouse, Secty. & Treas., Southwestern Ohio Steel, Inc., Hamilton, O. ....	119.0	143	
T. B. Hendrick, Pres., Collins-Dietz-Morris Co., Oklahoma City, Okla. ....	117.0	140	
George V. Reed, Asst. Treas., Continental Steel Corp., Kokomo, Ind. ....	115.0	140	
W. A. Haney, Secty. & Asst. Treas., Anchor Sanitary Company, Pittsburgh, Pa. ....	115.1		
R. M. DeGilio, Credit Mgr., Syracuse Supply Co., Syracuse, N. Y. ....	115.9	142.7	
W. M. Johnson, Secty. & Treas., J. Allen Smith & Co., Knoxville, Tenn. ....	115.9	143	
Thomas J. Adams, Vice Pres. & Credit Mgr., The Times-Picayune Publishing Co., New Orleans, La. ....	117.8	145	
J. Preston Miller, Asst. Treas., Dexter Industries, Inc., Grand Rapids, Mich. ....	115.8	143	
L. L. Cooper, Treas., Grand Rapids Supply Co., Grand Rapids, Mich. ....	116.0	135	
Guy C. Harris, District Credit Mgr., General Electric Supply Co., New Orleans, La. ....	117.5		
R. M. Cook, Senior Vice Pres., American Trust Co., San Francisco, Calif. ....	116.0	144	
R. L. Newbraugh, Credit Mgr., The Crosse & Blackwell Co., Baltimore, Md. ....	116.8	144.7	
John W. Bowyer, Vice Pres. & Treas., Omaha Steel Works, Omaha, Neb. ....	116.4	138	
C. Callaway, Jr., Treas., Crystal Springs Bleachery, Chickamauga, Ga. ....	115.1	141	
G. Albert Knesel, Asst. Vice Pres., The Hibernia Nat'l Bank in N. O., New Orleans, La. ....	116.0	140	
Gerald Young, Office Mgr., Marvel Refining Co., Grand Rapids, Mich. ....	112.1	140	
R. T. Custer, New Eng. Distr. Financial Mgr., Graybar Electric Co., Inc., Boston, Mass. ....	116.1		
Walter J. Jones, Asst. Treas. & Credit Mgr., Omaha Bakers Supply Co., Omaha, Neb. ....	115.1	138.5	
Fred Hamerlin, Secty. & Treas., Lilly Varnish Co., Indianapolis, Ind. ....	116.4	140	
N. M. McMahan, Treas., Rock Island Refining Corp., Indianapolis 20, Ind. ....	116.6	148	
L. H. Stacy, Office & Credit Mgr., Grinnell Co. of the Pacific, Los Angeles, Calif. ....	122.0	150	
A. H. MacNab, Secty., Acme Quality Paints, Inc., Detroit, Mich. ....	115.7	144	
G. W. Thompson, Mgr. Finance Dept., Lockheed Aircraft-Georgia Div., Marietta, Ga. ....	116.7	149	
H. H. Slatery, Treas., East Tennessee Packing Co., Knoxville, Tenn. ....	116.9	143	
H. C. Cogan, Treas., The Parker Appliance Co., Cleveland, O. ....	116.7	146	
T. E. Gunderson, Credit Mgr., Telex, St. Paul, Minn. ....	116.5	140	
T. O. Metcalf, Asst. Secty. & Treas., Toledo Scale Co., Toledo, O. ....	116.9	151	
J. D. Willson, Vice Pres. Finance, The O. A. Sutton Corp., Wichita, Kans. ....	110.0	125	

(The Forecasts are continued on the following page.)

*(Forecasts concluded from preceding page)*

	Wholesale Price Index For All Commodities	Industrial Production Adjusted Combined Index
C. A. Jorgensen, Vice Pres., Oakland Bank of Commerce, Oakland, Calif.	115.0	140
Jesse A. Swaney, Asst. to Treas., Harris-Seybold Co., Cleveland, O.	118.1	143
Ralph L. Fox, Asst. Treas., The Cleveland Tool & Supply Co., Cleveland, O.	116.3	145
S. A. Paine, Secty. & Treas., Screw Products Corp., Dallas, Tex.	113.7	
Arthur A. Smith, Vice Pres., First National Bank, Dallas, Tex.	116.1	143.3
H. C. Jackson, Asst. Treas., The American Hardware Corp., New Britain, Conn.	116.0	140
J. H. Murphy, Asst. Treas., Universal Mills, Fort Worth, Texas	115.4	138
Herbert A. Leggett, Vice Pres. & Economist, Valley National Bank, Phoenix, Ariz.	112.0	137
Edward Heine, Asst. to the Pres., The H. A. Seinsheimer Co., Cincinnati, O.	116.2	139.7
W. A. Skipper, Controller, Stebbins & Roberts, Inc., Little Rock, Ark.	116.6	144
Louis Stoskopf, Jr., Credit Mgr., Victor Chemical Works, Chicago, Ill.	115.3	143
J. P. Barfield, Vice Pres., Higginbotham-Pearlstone Hardware Co., Dallas, Tex.	115.2	140
F. D. Robinson, Vice Pres. & Treas., Diebold, Inc., Canton, O.	117.0	143
C. N. Aelfs Credit Mgr., Armour & Co., Sioux City, Ia.	114.5	140
William B. Behrens, Secty. & Treas., The Randall Co., Cincinnati, O.	115.3	142
Leonard J. Gruber, Exec. Vice Pres., The Central Carton Co., Cincinnati, O.	117.4	144
Ralph H. Mullane, Asst. Vice Pres., Liberty Mutual Insurance Co., Boston, Mass.	115.4	141
Raymond P. Coyle, Controller, Hub Distributors, Inc., Boston, Mass.	115.7	142
Norman D. Stoll, Credit Mgr., Wolverine Brass Works, Grand Rapids, Mich.		144
Frank Dansby, Asst. Cashier, Union Bank, Los Angeles, Cal.	115.4	139.8
Joe Hasse, Credit Mgr., General Electric Supply Co., San Antonio, Tex.	117.4	146.2
R. E. Edwards, Credit Mgr., Bemis Bro. Bag Co., Omaha, Nebr.		144
Louis B. Oswald, Credit Mgr., Cook Paint & Varnish Co., Omaha, Nebr.	115.3	141.9
H. H. Kniss, Vice Pres. & Cashier, Hamilton National Bank of Knoxville, Knoxville, Tenn.	114.7	143
Paul J. Viall, Treas., The Chattanooga Medicine Co., Chattanooga, Tenn.	118.5	144
John G. Sessoms, Vice Pres., Citizens & Southern National Bank, Atlanta, Ga.	118.0	142
John F. Berg, Treas. & Secty., National Oil & Supply Co., Newark, N. J.	118.3	149.6
Melvin Clark, Credit Mgr., General Electric Credit Corp., San Antonio, Tex.	115.6	137.6
James F. Welsh, Vice Pres. & Secty., McCormick & Co., Inc., Baltimore, Md.	115.5	142.5
M. F. Miller, Div. Credit Mgr., Foremost-Golden State Co., Los Angeles, Calif.	117.8	143
Ralph P. Baumgardner, Credit Mgr., The Bond-Rider-Jackson Co., Charleston, W. Va.	115.7	142
Glen Schiller, Credit Mgr., Friedrich Refrigerators, Inc., San Antonio, Tex.	114.9	142
Lucille B. Dunn, Credit Mgr., Chemcity Electronic Distributors, Charleston, W. Va.	112.4	142
O. F. Sleeth, Asst. Treas., Virginian Electric, Inc., Charleston, W. Va.	114.5	142
J. Roy Pierson, Treas., Thomas, Field & Co., Charleston, W. Va.	112.4	
C. H. Cuny, Credit Mgr., United Air Lines, Inc., Chicago, Ill.	115.6	143
C. F. Ensign, Asst. Treas., The Cleveland Twist Drill Co., Cleveland, O.	116.7	146.6
Howard Scott, Credit Mgr., Morse Hardware Co., Bellingham, Wash.	117.3	145
Robert G. Fulton, Credit Mgr., Motor Supply Co., Inc., Spokane, Wash.	117.9	145.6
B. D. Winship, Secty. & Treas., Scott-Buttner Electric Co., Inc., Oakland, Calif.	116.5	139.5
John S. Mudge, District Coordinator, General Mills, Inc., Spokane, Wash.	114.7	140
Edward B. Robertson, Credit Mgr., Albers Milling Co., Portland, Oreg.	115.0	140
Dan Avila, Credit Mgr., Lucky Lager Brewing Co., San Francisco, Calif.	120.0	150
A. Reese, Dist. Credit Mgr., W. P. Fuller & Co., Los Angeles, Calif.	115.4	143
C. W. Mattson, Credit Mgr., Grinnell Co. of the Pacific, Seattle, Wash.	118.8	149
Kent Tupper, Pres., Nebraska Pump & Supply Co., Lincoln, Nebr.	115.4	141
Harold R. Burke, Credit Mgr., Central Fibre Products Co., Omaha Div., Omaha, Nebr.	114.5	142
R. G. Holste, Vice Pres., The Central Trust Co., Cincinnati, O.	112.0	137
Joseph L. Schoenberger, Credit Mgr., Beau Brummell Ties, Inc., Cincinnati, O.	118.5	148
Charles W. Kroener, Credit Mgr., Southern Indiana Gas & Electric Co., Evansville, Ind.	114.8	137
Melvin W. Wimpelberg, Asst. Cashier, The National City Bank of Evansville, Evansville, Ind.	115.3	141
L. H. Koogle, Pres., Triangle Electric Supply Co., El Paso, Tex.	116.1	
Lester E. Jones, Secty. & Treas., Hausman Steel Co., Toledo, O.	115.4	143
Martin F. Matz, Treas., H. Fendrich, Evansville, Ind.	112.6	139
H. C. Schick, Secty. & Treas., The Torrington Manufacturing Co., Torrington, Conn.	117.3	146.6

# Three-Pronged Attack on Misunderstandings

## Is Banks' Strategy to Build Public Relations

By A. E. ROEMERSHAUSER

*Vice President*

Whitney National Bank  
New Orleans, Louisiana

A LOCAL NEWSPAPER recently carried on its front page the story of a young lady employed



A. ROEMERSHAUSER

in one of the New Orleans banks who had been indiscreet enough to embezzle some \$3,000.00. Only the sensational part of this event was reported. Not mentioned

was the fact that the clerk had been in the employ of the bank for only three months, and on a temporary basis.

The banker continues to be news, and his business and personal life is under close surveillance.

By the same token the participation of bankers in civic works and the contributions they make toward the economic welfare of our society are usually carried on page 22 or lost somewhere in the financial section. The banker, over a period of generations, has been the object of criticism; coined disparaging phrases have been inspired by politicians and those who seek to cause unrest. "The propaganda of Wall Street" remains a stigma, and those entrusted with the financial wealth of the country are easy prey when scapegoats are needed.

### Criticism Partly Justified

In some respects this adverse criticism is justified. The very type of business, normally known as "class," can be traced to the origin of banking in the era of goldsmiths. Actually, up to a generation ago the main interests of banking were deposits and discounts. Since their principal clientele was the money element, there was no need to cultivate the favor of the masses.

The erratic financial careers of banks in the early growing years of our economy have left an imprint. The banking holiday of 1933 and its

attending years still lingers in the minds of this generation. It is characteristic that the public looks with inquiry and the prospects of criticism at institutions which are quasi-public by nature. This stems from the fact that each individual feels he has an inherent interest in that which he has had a part in creating.

A few years ago a survey was conducted by the Opinion Research Corporation for the Association of Reserve City Bankers. The information developed in this survey gave a rather accurate, thumbnail description of the attitude of the public towards banks. For instance, did you know

1 — 25% of the public feel that interest rates on loans are too high. . . . In the City of New Orleans, Coca-Cola, kilowatt hour charges and bank interests are among the few things which have not increased in cost. Actually interest rates are lower today than those of a generation ago.

2 — 29% of the public feel that a man with a steady job should be able to make a small loan with less difficulty. . . . The facts are, only a fractional portion of bank customers ever borrows from its bank. The public in general has been hoodwinked by the extravagant advertising of other lending agencies. Easy loans are held in the offing by those who seek business at high rates.

3 — 65% of the public is of the opinion that interest rates on savings are too low. . . . The situation is that practically every bank in the United States is paying the legal limit of 2½% on bank savings. The true story of *demand deposits* has not been accurately told by banks.

4 — Only 35% of the public feel that the government is competing with banks while making loans to individuals and corporations. . . . Seventy lending institutions are in direct competition with banks in the fields of agriculture, home lending and general business. The fact that undue risks are spread among 165 million people, and losses are taken in the form of taxation, has not occurred to the man on the street.

**A**LVIN E. ROEMERSHAUSER, vice president, Whitney National Bank of New Orleans, started with the bank in 1925 as an office boy and progressed through the ranks to his present office, to which he was elected in February 1955.

In the American Institute of Banking he concluded a term as national president in June 1955, following service as vice president and three years on the executive council. He has had all elective offices at the local chapter level.

5 — 75% of the public feel that a bank failure results in loss to the Government. . . . The facts regarding Federal Deposit Insurance Corporation have not been adequately told.

6 — 22% of the public favor Government ownership of banks; 15% are undecided. . . . Banks have been the object of public scrutiny for many years. While we are not without sin, there is a middle ground between the ups and downs of truth and misunderstanding and it is on this plateau that successful banking must rest. We in the banking business are conscious of the truth that the American public is not a sponger and once they are given the facts they will understand what our true position is.

There has grown in the banking business in the last few years an objective approach to this problem, flavored with the thought that public favor or a reversal or minimizing of our present esteem can only be earned, and principally in the area of service. Probably the best concentrated effort within the banking business at the present time is being sponsored by the American Bankers Association and the Association of Reserve City Bankers.

In order to define our problems, another survey even wider and more comprehensive in nature is being taken, the principal objective of which is to determine the true image of the banker. It is generally felt that

(Concluded on page 19)



By JOSEPH M. MILLER

*Secretary-Treasurer*

Sterling-Midland Coal Company  
Chicago, Illinois

ONE day in the late '30s the president called me into his office and told me I had been selected to become credit manager. He said he had little advice to give, suggested I concern myself primarily with bad or slow pay accounts. He told me my duties were threefold: to the customer, the company, and our producers. I was to think twice before rejecting an order: of the relationship between the salesman and the customer, and of that between the customer and our company.

Soon I learned that our accounts could be classified roughly into three categories: good, bad, and borderline. The good accounts would take care of themselves. The bad and borderline would be the ones to occupy my attention. Luckily, they have been in a very small minority.

Through participation in the National Association of Credit Men and the National Fuel Credit Association, I found that you can learn a lot about your customers by sitting around the table with your fellow credit executives and talking over problems.

A few years ago we absorbed a company closely related to ours, and inherited a few accounts which we had preferred to refrain from selling. All customers of the former company were notified of the change and were told there would be no change of relationship.

#### *Case Number One*

One account in particular was causing much concern. It was a retail account which had been begun years before by the father, who was still

## MANAGEMENT AT WORK

### *.... a problem case is solved*

active. He had taken his four sons in as equal partners.

I might digress here long enough to say that we are an exclusive sales agency. Our terms are 10 M. F. S. We pay our producers on the 20th of the M. F. S.

We could see immediately that this account was one we would have to "educate" as time went by. It was owing several thousand dollars, about 75 per cent past due.

The management was very cooperative and provided us with a financial statement and profit and loss statement. Analysis clearly indicated that prompt payment was impossible. Volume was too small for the number trying to make a living from the business.

We suggested they send us a check for three carloads for every two cars shipped. This would clear the account in about 18 months. They agreed, but after six weeks found they could not fulfill their part of the bargain. They seemed to have no solution other than that we continue financing them.

They had had relations with the producer over several years, and since most of their purchases had been restricted to that one producer we could see it would be necessary to work with them for awhile. But we did not want to sell on such extended terms.

We tried to get the producer to agree that we pay him when the customer paid us. But the producer reminded us that, since we were their exclusive sales agent, the collection of accounts was our responsibility. After many conversations and much correspondence the producer finally assented. He would credit our account for the amount of the indebtedness of the customer and service the latter himself. This made the customer happy; it made us happy; and while the producer was not entirely happy with the arrangement he preferred that to renegeing on his promises to

the customer. However, it was not long until he was forced to take practically the very steps we had suggested originally.

#### *Case Number Two*

Another account which we had inherited was a medium-sized manufacturer. Thirty days in arrears when we began shipping, he became current in a few weeks.

The following season we signed a contract to provide his entire requirements and he agreed to our terms of 10 M. F. S.

In about six months he was owing for shipments made in the previous three months. It was practically impossible to contact anyone with authority to issue a check; the officials always seemed to be "out of the city".

One day the purchasing agent called to tell me the manufacturer was revising purchasing and paying procedures and that our account fell into the category of 90-day payment. He was adamant, and warned that the business would be given a competitor

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**B**eginning as a billing clerk in the accounting department in 1928, Joseph M. Miller advanced through various positions in Sterling-Midland Coal Company at Terre Haute, Ind.—to credit manager, and to office manager three years later. In 1954 he was transferred to Chicago as assistant treasurer. In 1955 he was made treasurer and assistant secretary, last year secretary-treasurer.

*Mr. Miller, past president of the Terre Haute Association of Credit Men and exponent of education for progress, never has ceased "going to school," as his succession of night school attendance and correspondence courses attests. He is a past president of Toastmasters International.*

---

if we failed to cooperate. There was nothing to do but agree, for the time being.

A week later, while the president and his wife were absent, their apartment was robbed of \$25,000 worth of furs and jewels. The following morning I called to console him over his loss, and seized the opportunity for a little heart-to-heart talk regarding his attitude towards the account. He promised to pay in full (about \$5,000) as soon as the insurance company settled his loss. Further persuasion induced him to pay the account in ten days. The plant later converted to oil, and so a competitor donned our worries.

#### **Case Number Three**

A third account regularly furnished us with a financial statement which is a joy to behold. The company is worth approximately \$180,000.00. It has a current ratio of 4 to 1. The cash account alone exceeds the current liabilities by a wide margin. But it is a 60-90 day account.

Investigation developed that the owner liked to have a large bank balance at all times and used his accounts receivable to finance his payables. He had been very successful but insisted that creditors do business his way or not at all. Honesty was basic with him. When we pointed out that he was being dishonest with us and with himself, we had no difficulty getting him to pay promptly.

#### **Case Number Four**

Then there was the dealer out in Iowa who had been a valued customer for years. An invoice never was permitted to become past due. Our relations could not have been better.

A year after the advent of the New Deal he wrote us that he intended to "cash in" shortly. He had been very successful but he did not intend to be regimented, to be told how to conduct his affairs by "young and inexperienced upstarts." So he was calling it quits.

I wrote him that he was one of our best accounts and that we felt as bad about losing him as we would over losing an intimate friend. We asked him to "hang on" awhile longer.

The letter must have struck a responsive chord for he wrote back that if anyone had that much confidence in him he couldn't quit. He was loyal to us until his death, and his successor has been just as loyal.



## **Keep your Inventory**

## **in Cash...**

If your cash is tied up in inventory, it will pay you to investigate N. Y. Terminal's method of providing security for loans against materials stored on your premises or those of your distributors.

The practical advantages of this method of financing are obvious. You take advantage of seasonal buying and discounts. You pay no warehouse transportation cost. Your material is available as needed. You assure your dealers of adequate stock at peak seasons.

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OPERATING OFFICES IN  
PRINCIPAL CITIES



# How Simple Methods Reduce Credit Losses

## Eight Principles in Company's Operation Hold Loss to 11-100ths of 1%

IN CREDIT work as in any other form of endeavor "simplicity is a virtue," and "too much system can be a time-waster for both traveler and creditman." But "back simplicity with vigilance," counsels Spokane's dean of creditmen, E. D. Thompson, vice president in

E. D. THOMPSON  
charge of credits at Jensen-Byrd Company. Mr. Thompson's forthright outline for simplified credit operation is the cream skimmed off the top of a lifetime in credit work.

"Although we are set up on paper for a loss of one-fourth of one per cent, such a precaution as with most firms is a mere formality," notes the hardware company executive. "That point is never reached." At Jensen-Byrd the non-complicated technique of credit operation has kept losses to the "irreducible minimum" of eleven-hundredths of one per cent over nearly two decades.

### Sales Collects If Necessary

Vice President Thompson's creed embraces full teamwork with Sales, from opening of account to collection by Sales where necessary.

Jensen-Byrd, hardware wholesaler, serves thousands of customers in what is known as the Inland Empire. Its sales territory extends 300 miles south of Spokane, 125 miles north, 325 miles east and 175 miles west.

*Sales' Appraisal of New Accounts Is Accepted.* "Most of our customers are in small towns and rural areas," notes Mr. Thompson. "Credit reports on them are difficult to obtain, often because these people have not been in business before." In such cases the company depends heavily on the traveler to 'size up' the customer. "Unless I have definitely derogatory information, I accept the initial order strictly on the salesman's appraisal of the applicant."

*Has Salesmen Aid in Collections.* This system puts much of the respon-

sibility of credit risk right on the salesman, "for he fathered it, and now must cooperate with Credit in maintaining it as a good customer," notes Mr. Thompson.

"Every month a list of the accounts receivable is given the salesmen; in most cases a little effort on the salesman's part results in payment of the account. Since all orders cross my desk, an order from a delinquent account is halted right there and a letter sent to the salesman advising him of that fact."

### Long-Distance Phone Asset

*Stresses That Cash Discount Is Interest Earned.* "Stress the fact, as do the salesmen, that 2 per cent is a good rate of interest." The customer should look upon the loss of it as a business expense. Considering the 2 per cent as interest on his investment often places the discount in a more favorable light, so far as the customer is concerned.

*Simplifies Bookwork.* Age accounts monthly in four columns: current, 30,

### Simplicity with Vigilance: Credit Operation Program

Out of long credit experience, E. D. Thompson, vice president in charge of credits at Jensen-Byrd Company, Spokane, Wash., culls these eight precepts for non-complicated credit procedure. By way of illustrating his creed that simplification produces optimum results, losses at Jensen-Byrd Company have been held to eleven-hundredths of one per cent for almost two decades!

1. Age accounts in four columns—current, 30, 60 and 90 days—giving special attention to the last two.
2. Have salesmen aid in collections.
3. Grant 2 per cent discount for cash.
4. Charge 8 per cent interest on delinquent accounts.
5. Spurn notes for overdue balances.
6. Add a portion of unpaid balance to C. O. D. orders.
7. Shun "futures" on long datings.
8. Turn hopelessly delinquent accounts over to the Association for adjustment.

60 and 90 days. "The two last named columns are the ones to watch closely." Letters are written to accounts which require special attention, while a simple "Overdue" stamp is used on the statements to those which have not paid by the 15th. "I rarely write to a delinquent local account, preferring to talk to him by telephone," he says.

### Handling Delinquent Accounts

"Liquidate the balance, not the customer," is his precept. All accounts are net due on the 15th and any overdue balance after the second month is subject to an interest charge of 8 per cent. Delinquent accounts are placed on a C.O.D. basis. "That does not mean, however, that a customer loses his 2 per cent for cash, for in paying on delivery he obviously is meeting the necessary requirement to earn that discount."

A 'gimmick' that often helps to clear up an overdue balance, he has found, is to get permission of the customer to add a portion of the unpaid balance to his C.O.D. statement. "This is actually nothing more than a monthly payment on the overdue account, but coming as it does with the C.O.D. order, forces the customer to make a definite move to pay it."

*Notes Not Accepted.* "I do not close an account by accepting a note, for I want the full amount owing to appear on the monthly statements." This serves to keep the delinquent customer fully aware of his status and stimulates him to remedy the condition. An exception, the only one, to not accepting a note, Mr. Thompson points out, "arises when there is reasonable certainty that the account will have to be turned over to the Association for collection." In that case, a note "serves to solidify our position as creditor and gives the Association a definite commitment from the customer as to his indebtedness."

*Long Term Credit Is Dangerous.* "There is one hazard in credit operations which we at Jensen-Byrd avoid: 'futures' on long datings." Mr. Thompson is convinced it is dangerous and difficult to predict a custom-

**DEAN** of credit executives of both wholesale and retail associations, for length of employment in the profession, is **Jensen-Byrd Company's** vice president in charge of credits, **E. D. Thompson**. A past president of the **Spokane Merchants' Association**, he has been active in it since its infancy, keeping up interest through free discussions of ledger information at the weekly luncheons. He is a charter member of the **Retail Creditmen's Association**.

Mr. Thompson's early training was on P&L accounts for **Nelson-Morris Co.**, Allegheny, Pa., in 1901. In Spokane he began with **The Holley-Mason Hardware Co.** as ledger clerk in 1907, advancing to secretary-treasurer in charge of credits at the time the company sold out in 1931.

er's financial position six months in advance.

**Collection Letters Stress These Points:** 1) "We do not care to be put in the position of a banker in extending loans through credit"; 2) "We do not function as bankers in furnishing working capital."

**Accounts to Association May Be Rehabilitated.** When accounts are referred to the Association for adjustment, it is "with the thought that the customer should be rehabilitated if at all possible," observes the hardware company vice president. "I feel that any honest and capable customer should be helped by his supplier and by the Association in order that he may continue in business."

Describing Credit as "the nearest thing to perpetual motion that I know of," Mr. Thompson counts it his function to help keep it going in the interest of business.

#### **Chicago Seminar March 11-14 Focuses on Office Cost Cuts**

Solutions for high cost office problems will be presented by 13 authorities at the 15th annual Chicago Seminar co-sponsored by the Chicago Chapter of the National Office Management Association and Northwestern University.

The four-day Seminar opens at the Conrad Hilton hotel March 11th, concurrently with the Business Show of the newest office equipment and electronic machines.

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**Knowledge** of COMMERCIAL CREDIT's Commercial Financing Plan may make it possible for you to take prompt advantage of 1957 opportunities that might otherwise be missed. For additional facts, write and say, "Send me more information about the plan described in Credit & Financial Management."

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**COMMERCIAL CREDIT COMPANY'S** subsidiaries, during the past year, advanced over one billion dollars to manufacturers and wholesalers to supplement their cash working capital. The total volume of its finance subsidiaries amounted to over three and one-half billion dollars.

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over \$200,000,000**

# Seven Writing Jobs Made One In New Purchase Order Setup

**A**N integrated purchase order system put in operation by a manufacturer has cut down seven different rewriting jobs on separate forms to a single writing. Not only has the Robco Manufacturing Company, Inc., of Long Island City, N. Y., simplified its paperwork, but clerical time has been reduced, accuracy increased and customer service improved. A Direct Process duplicating master, product of DITTO, Incorporated, is the foundation of the system.

## The Procedure

On the master, basic information is entered only once. Only new information is added as the order is processed through bid requests, purchase, outside work orders, shipping orders, receiving reports, debit memos and change orders as called for. In the case of a purchase requisition, the master originates in the inventory control department. Where an outside work order is involved, the master comes from the production control department.

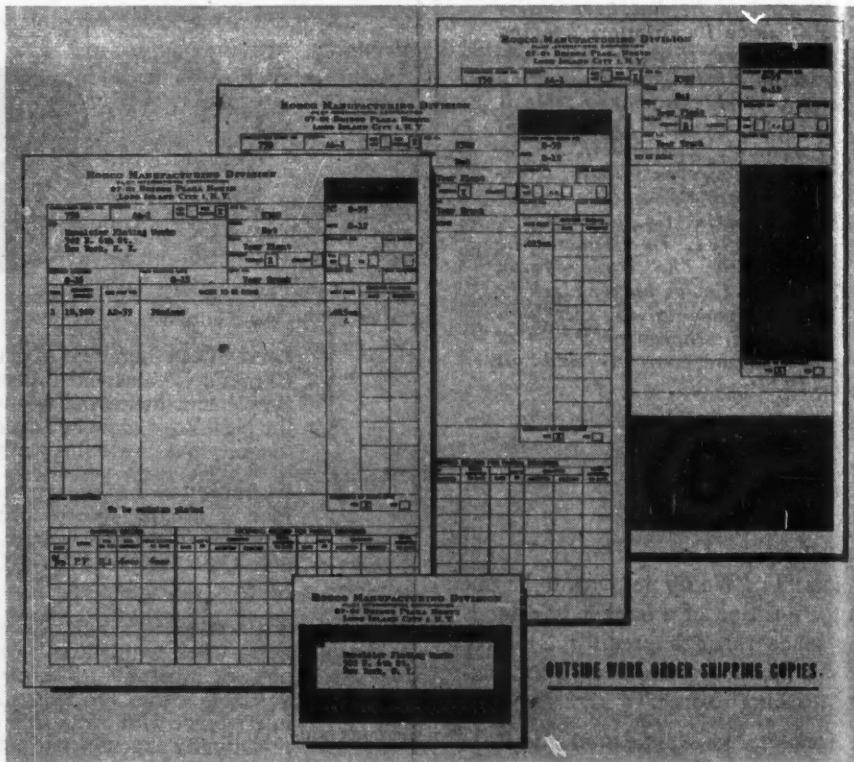
From the completed purchase order master, the following copies are run off on a DITTO duplicator and distributed: 1) vendor's copy; 2) acknowledgment copy, to be returned by vendor; 3) purchasing copy, filed by purchasing department; 4) inventory copy, filed by production control with purchase requisition.

Production control utilizes completed outside work order master to run off 1) shipping report, sent to purchasing department with order; 2) shipping order and packing list; 3) as many shipping labels as necessary.

## Speeds Shipping Orders

According to Robco, this procedure enables shipping orders to be issued at the moment parts are ready. Previously parts were often lost or misplaced pending arrival of the shipping order. In addition, the DITTO master conveniently combines all data of outgoing shipments with order and receiving information of outside work.

When materials are received and



**OUTSIDE WORK ORDER** shipping copies produced through a single order-writing system inaugurated at Robco Manufacturing Co., Long Island City, N.Y. Starting with a Direct Process duplicating master of DITTO, Inc., Robco processes all data pertaining to an order, involving seven different forms, without rewriting of basic data at any time.

have been inspected, an inspection sheet is forwarded to the receiving department, which pulls the appropriate master and fills in the receiving record portion. Copies are duplicated as follows: 1) accounts payable copy, which is sent with packing list to accounts payable department for filing, pending receipt of invoice; 2) purchasing copy; 3) inventory copy, to production control, which enters receiving data on the production schedule and forwards inventory copy to inventory control.

## Consumer Finance Controls Are Decried as Roadblocks

Putting roadblocks in the way of sources of funds "upsets the equilibrium, the flexibility of the economy." What we need is "to have perspective in the matter," Dr. Thomas W. Rogers, executive vice president and secretary, American Finance Conference, Chicago, told a press conference at the three-day meeting of the association, in New York, that "the flow of funds adjusts itself to economic needs. Consumer financing helps the consumer buy capital durable goods."

Tight money and selective controls were leading subjects of discussion at the conference.

Elmer E. Schmus, vice president, First National Bank of Chicago, cautioned against a relaxation of down payment of maturity terms in the selling of cars.

## ANALYZE HANDWRITING

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the ivory tower attitude must go. In general, the attack is three-pronged.

Much emphasis is being directed and publicity given to the various services in which bankers are engaged, such as United Fund Drives, Grand Jury Service, tax structures and studies, community crusades, participation in educational and beneficial undertakings.

Assuming that criticism of banks runs parallel with ignorance, our promotion of a better understanding of banks is necessary. To do this, the mystery must be taken out of our services. To accomplish this, banks are endeavoring to reach the public on a personal basis. In recent years these activities have included films in schools, lectures, bank visitations, advertising, special courses in banking at the elementary and college levels, and a complete program of educating its own personnel.

#### **Public Relations Program Growing**

In order to improve the climate in which banks operate, a program to improve the direct relationship with customers is steadily increasing. The fact that people and not buildings make banks is being emphasized; that service can be rendered on the same personal and intimate basis as that which exists between the lawyer and doctor with clients is highly desirable. Improvements in operations and services are important. No longer are steel vaults and iron doors, marble and granite depended upon to impress customers. We have awakened to the fact we are service institutions and our utility to a great extent will depend upon the kind of service we render.

Every credit executive, as a depositor of a bank and a citizen of the community, has a responsibility. This is the only country in the world in which independent banking still flourishes. A change in the attitude of only 20% of our people can bring POSTOFFICE banking. Banking has too few spokesmen, and we might be in danger of losing our case by default.

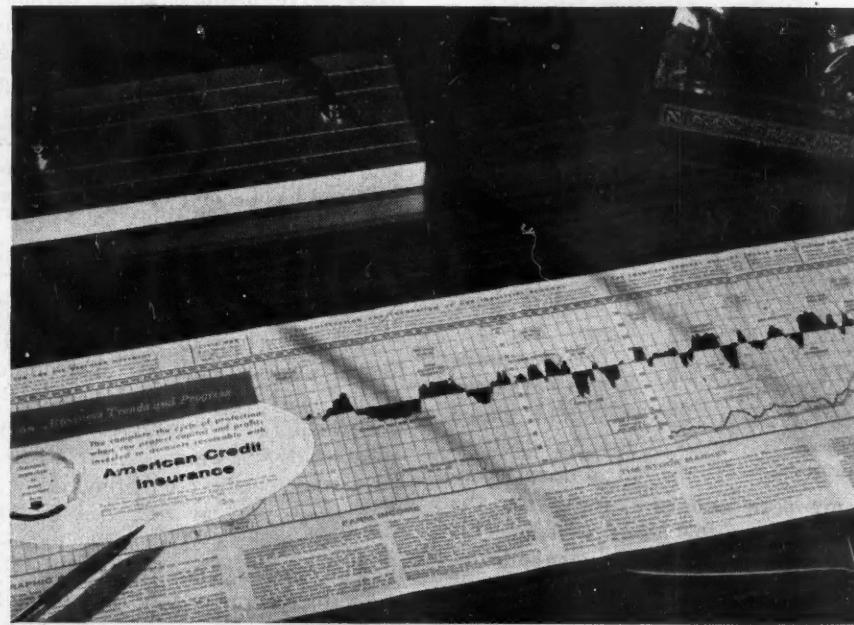
#### **FORMULA FOR FAILURE**

**Try to please everybody.**  
—Herbert Bayard Swope

# **1957 EDITION**

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# Time to Bring Credit Terminology into Tune With the Changing Economy, Says Educator

By LEONARD MARKS, JR.

Assistant Professor of Finance  
Graduate School of Business  
Stanford University  
Stanford, California

FOR many years, credit extended by one business to another has been called "mercantile credit" or "commercial credit," yet these terms do not apply realistically to modern business.

The mercantile system of business was based upon a doctrine of political economy developed in Europe after the downfall of the feudal system. This doctrine held: that the economic interests of the nation as a whole were more important than the interests of the individual business firms of that nation; and that all business firms should work toward a favorable balance of trade for their nation. "Mercantile" according to most dictionaries, is synonymous with the term "commercial" which refers to the operations of exchange—the buying and selling of commodities, trading or wholesaling.

Our business economy today has developed beyond these functions; business is now "industrial" (manufacturing, fabricating, and assembling) as well as commercial.

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Despite the growth and change of business, so-called "commercial banks" today serve manufacturing, agriculture, transportation, and other business activities in addition to the original kind of commercial banking for the merchant and trading house. Interestingly, so-called industrial banks lend primarily to consumers! How confused has become our terminology which defines credit!

We have grown beyond "mercantilism" and beyond "commercialism," but, as a matter of convenience and custom, we cling to archaic and illogical phrases such as "mercantile credit" and "commercial banking." Can we not use terms that logically mean more—that more accurately describe the specific credit function?

It would appear that two major divisions might be made in the definition of credit. The first could describe the source or grantor of credit and would be placed before the term "credit." The second portion of the term to follow the word "credit" would indicate the recipient of the credit; thus, "business credit to consumers" would designate a segment of what is now too generally called "retail" or "consumer" credit. The new term would indicate credit granted by business firms to individual consumers. Similarly, the term "institutional credit to business" would indicate credit granted by a bank, finance company, insurance company, or other institutional lender to business firms.

If there were general agreement on these generic descriptions of credit, that is, "business" and "institutional credit," then one could further designate specific credit sources and specific credit recipients. For example, "business credit" might be divided into "industrial," "wholesale," or "commercial" and "retail credit"; thus, "wholesale" or "commercial credit" would be that granted by a distributor, wholesaler, or commercial trading house. "Industrial credit" would refer to credit granted by a manufacturer, a fabricator, or an assembler of products. Such credit would, of course, be granted to other

LEONARD MARKS, Jr., assistant professor of finance at Stanford University's graduate school of business, consulting associate of NACM's Credit Research Foundation, Inc., and member of the faculty of its Graduate School of Credit and Financial Management, was formerly on the faculty of the Harvard school of business.

On August 1st Mr. Marks will begin a year's leave of absence from Stanford to join the faculty of an American company's executive development program in Switzerland.

industrial companies, to wholesalers, or possibly to retailers. Therefore, the phrase describing the specific credit might be "industrial credit to industrial firms" or "industrial credit to wholesale firms" or "industrial credit to retailers."

"Institutional credit" could be classified as follows:

1. "Institutional investment credit," which might mean credit granted by a financial institution, such as an investment bank, an insurance company, or mutual fund, generally for investment capital purposes.

2. "Institutional intermediate credit" could refer to term loans and similar credits granted by commercial banks and insurance companies for permanent working capital requirements or intermediate capital needs.

3. "Institutional short-term credit," for seasonal needs or other short-term requirements.

While this method of defining credit might initially appear to result in laborious or over-structured terminology, the adoption of more logical terms should eliminate confusion and permit more accurate description of individual credit actions.

It is not the intention of this article to attempt to establish a single-clear definition for each type of credit. The purpose is to arouse interest in such a project and to outline broadly the kinds of definitions which might be developed.

## High Credit Total Is Misinterpreted,

### Commercial Finance Executives Told

"High dollar totals of credit in themselves, unless they are at an astronomical figure, do not necessarily mean that credit conditions have gotten entirely out of hand," but "if sound credit principles are not applied and credit practices become loose and credit terms unrealistic, then there should be every concern by those who indulge in the unbusiness-like practices." Henry H. Heimann, executive vice president, National Association of Credit Men, in an address before the twelfth annual convention of the Commercial Finance Industry, in New York, pointed out the negative aspect of continuous publicity hammering at the "high credit totals."

#### Rodgers Cites Imbalance

Inflation defined as "the condition where nobody has enough money because everybody has too much money," Raymond Rodgers, professor of banking, graduate school of business administration, and of the school of commerce, accounts and finance, New York University, told the delegates that "what we have is a shortage of credit and capital in relation to today's prices, business volume and exaggerated demand. Until such time as this imbalance is removed, money will remain tight (predicated of course on continued freedom of Federal Reserve authorities from political domination)."

Analyzing the basic determinants of interest rates, Professor Rodgers, who also is a member of the faculty of the NACM Graduate School of Credit and Financial Management, Dartmouth, sees a good first quarter for business.

"Probably the most serious aspect of the present credit situation," said Mr. Rodgers, "is the growing tendency to shift capital borrowing from the capital market to the commercial banks," which under present circumstances "creates abnormal conditions in both the money market and the capital market."

In 1956, commercial finance companies financed in open accounts receivable a sum in excess of \$5 billions. In 1941 the figure was about \$536 millions.

A plea that small business get a fair share of the money market was made by Herbert R. Silverman, executive vice president, James Talcott, Inc., New York, chairman of the board of National Commercial Finance Conference. "Higher interest rates alone cannot provide the needed volume of savings for investment," Mr. Silverman declared. Selective controls administered by the industry, not "blunderbuss controls," can help industry growth, he said. Two measures of relief from inequities in the tax policy, to aid small business expansion, were recommended by Mr. Silverman: increase the first bracket of corporate income subject



H. R. SILVERMAN



W. S. SEIDMAN

to the lowest rate of taxation, from \$25,000 to \$50,000; reduce the tax rate on the first bracket of corporate income from 30 to 20 per cent.

New techniques in the commercial financing field were likened by Peter E. Heller, vice president, Walter E. Heller & Company, Chicago, to "the new products and different methods of distribution and sales developed by the companies which produce and market the tremendous amount of capital and consumer goods literally being chewed up by the public's demand for a better way of life."

Awards for achievement in business growth made possible through use of commercial finance company funds were made to National Airlines, Inc., Lithium Corporation of America, and The Diners' Club, Inc.

Mr. Silverman was reelected chairman of the board, and Walter S. Seidman, partner, Jones & Company, New York, was renamed president of the National Commercial Finance Conference. William J. Drake is executive vice president.



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**DINNER GATHERING** winds up three-day Midwest Business Show, sponsored by the Omaha Credit Men's Association. At the speaker's table (l to r) are William Baker of the Baker Advertising Agency, managing director of the Show; Walter J. Jones, Omaha Bakers Supply Co., general chairman; William Tempkin, Meredith W.O.W., Inc., president, National Cost Accountants; Mrs. Sally Schwarz, World Insurance Co., president, National Secretaries Association; G. E. Chelius, Remington Rand's systems and photo records division, Omaha, guest speaker; Richard E. Edwards, Bemis Bro. Bag Co., president of the Omaha association; Miss Florence Culbertson, Industrial Chemical Laboratories, Inc., president, NOMA, National Office Management Association; John Kozak, Carpenter Paper Co., president, Omaha Sales Executives; Fred Harris, retired, John Deere Plow Co.; and E. H. Kurtz, association executive manager.



**AT REMINGTON RAND EXHIBIT**—Demonstrator stands by while Ray O'Halloran, Saxe-Freeman Co., tries out the latest calculator. Standing (left to right) are E. H. Kurtz, Omaha association executive manager; Lloyd A. Dirks, John Deere Plow Co.; Walter J. Jones, Omaha Bakers Supply Co., Midwest Business Show program chairman; and Richard E. Edwards, Bemis Bro. Bag Co., association president. More than 60 exhibits featured the show.



**MEMPHIS CREDIT EXECUTIVE OF THE YEAR**, Frank J. Romeo, assistant cashier, First National Bank, receives a plaque from Lester C. Scott, assistant treasurer and board member, E. L. Bruce Co., vice president, southern division, NACM. Looking on are Fred L. Playter (left), Pidgeon-Thomas Iron Co., president NACM Mid South Unit, and J. Herbert Bryan, association secretary. A wrist watch also was presented to Mr. Romeo.

COMMERCIAL APPEAL PHOTO

#### MIDWEST BUSINESS SHOW

**Two thousand registrations and 1,000 guests tell the story of the success of the First Annual Midwest Business Show, sponsored by the Omaha Association of Credit Men. Another Business Show will be staged by the association this year, tentatively set for November 3-4-5. Jerry Chelius of Remington Rand, guest speaker at the windup dinner, discussed the "White Elephant Story" of maintenance of useless records. He emphasized that with personnel representing 80 per cent of the investment in modern equipment, it behooves management to set up a good training program, assure efficient use of space, time and equipment, appraise all records.**



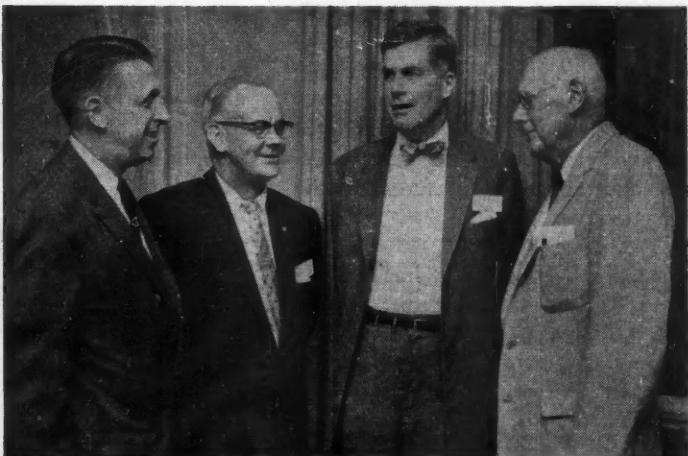
**OBSERVING** the second anniversary of the Baltimore Credit Women's Club, Mrs. Elizabeth Mills, Recipe Foods, Inc., club president, cuts the birthday cake. George J. Lochner, secretary-manager of the Baltimore Association of Credit Men, eagerly lends a hand.



**NEW ORLANDO GROUP** is formed by the NACM Florida Gulf Coast Unit, Tampa, with H. A. Patrill (seated, second from left), secretary-treasurer of Hughes Supply, Inc., as chairman. Mr. Patrill was a leader in launching the new organization. In the picture: (seated, left to right) H. D. Hazen, Electric Motor & Repair Co., Inc.; Mr. Patrill; Mrs. Doris Peterson, Timber Products Co.; Mrs. Pitt Varner, Midland Distributors, Inc.; and C. K. Howe, secretary-treasurer, NACM Florida Gulf Coast Unit. Standing: Henry Claiborne, president, R & R Refrigeration Supply Co.; Battin Hammond, president, Hammond Electric Distributors; Oscar Blitner, Orlando Refrigeration Supply Co.; Arthur Loft, president, Orlando Armature Works, Inc.; Robert Knorpp, Graybar Electric Co., Inc.; H. F. Baker, president, Orlando Refrigeration Supply Co.; Virgil Crowell, Horne-Wilson, Inc.; Fred Kane, J. J. Howden Co.; and L. U. Fink, Midland Distributors, Inc.



**THE GAVEL** is passed to J. K. Beyerle, Hill Bros. Coffee, Inc., president, Portland Association of Credit Men, Inc., by James T. Shepler (left), Dohrmann Hotel Supply Co., retiring president, who was presented with a gold watch by Mr. Beyerle. Watching is the guest speaker, Douglas McKay, former secretary of the interior.



**PRESIDENT** of the Chattanooga Manufacturers Association is the latest honor to come to Paul J. Viali, treasurer of the Chattanooga Medicine Co., immediate past president NACM. (l to r) Herlie Branch, Jr., president, Georgia Power Co.; Mr. Viali; William G. Raoul, retiring president, and E. De L. Wood, executive secretary and traffic manager of the manufacturers' association.

CHATTANOOGA TIMES PHOTO



**FULL-PAGE ANNOUNCEMENT** in the El Paso Herald-Post signaled the 50th Anniversary of the Tri-State Credit Association, with the above picture of officers and directors 1956-57. SEATED (l to r) are H. D. Bue, Midland Specialty Co., 1st v.p.; S. E. Tomlinson, Jr., State National Bank, treas.; Bob Croxton, Southwestern Portland Cement Co.; B. H. Burdick, Burdick & Burdick; G. A. Ponsford, Ponsford Bros., pres.; L. O. Rydholm, Standard Oil Co. of Texas; I. L. Lackey, Southwest National Bank; J. B. Ryan, El Paso National Bank. Standing: Boyd Ryan, Car Parts Depot, Inc.; R. D. Herron, IPCO Inc.; E. M. Embry, Monsen-Dunnegan-Ryan Co., immediate past pres.; L. H. Koogler, Triangle Electric Supply Co., National director; Harold Womeck, Zork Hardware Co.; P. M. Crawford, El Paso Sand Products Co.; Jack Jennings, Border Wholesale Drug Co.; R. M. Bozeman, White House Department Store; J. L. Vance, assn. general manager and secretary.

# ON THE Personal Side

JOHN E. COWLES has advanced from controller to treasurer, St. Regis Paper Company, New York City. He had been assistant treasurer and controller of Maine Seaboard Paper Company since 1933 and he joined St. Regis as controller when that company acquired Maine Seaboard in 1947.

TERRANCE HANOLD has been named treasurer of Pillsbury Mills, Inc., Minneapolis, to succeed Curtiss C. Coleman, who resigned to become vice president, First National Bank, Minneapolis. Mr. Hanold was formerly assistant general counsel, general credit manager, assistant secretary and assistant treasurer of the company.

ALLEN M. HARRELSON has become vice president and treasurer, H. K. Porter Company, at Pittsburgh headquarters. A certified public accountant, Mr. Harrelson previously had been controller of Scaife & Company, Pittsburgh, and earlier had been with Peat, Marwick & Mitchell.



C. H. BURNS



E. K. HEINEMAN



R. E. BURMEISTER



F. E. SUTHERLAND

WILLIAM C. WATSON has been advanced from assistant treasurer and assistant controller to treasurer, Chesebrough-Pond's, Inc., Clinton, Conn. A graduate of New York University, with B.S. degree, Mr. Watson is a certified public accountant and a director of Controllers Institute of America. Prior to joining the company in 1955, he had been associated with Vick Chemical Company and with Price, Waterhouse & Company.

JOHN C. WEAVER is now division credit manager for the northwest division of The National Supply Company, at Denver. He joined the company in 1947 in the credit department at Houston.

ROBERT A. NUNLIST, credit manager, has additionally been appointed assistant treasurer, Armco Steel Corporation, Middletown, Ohio. A Fellow of the National Institute of

Credit and graduate of the NACM Graduate School of Credit and Financial Management (Dartmouth 1952), and past president of the Cincinnati Association of Credit Men, Mr. Nunlist began with the company 20 years ago as a messenger.

ROBERT E. BURMEISTER has been promoted to assistant treasurer, The Parker Pen Company, Janesville, Wis. He has been chief internal auditor since 1953 and began with the company's internal audit staff in 1948, following graduation from the University of Wisconsin. Mr. Burmeister is a certified public accountant.

FRANK SUTHERLAND, formerly assistant credit manager, has become credit manager of the company. He succeeds Maurice L. Weirick, retired.



TERRANCE HANOLD



J. E. COWLES



W. C. WATSON



A. M. HARRELSON

In expansion of the controller department of Fulton Bag & Cotton Mills, CHARLES H. BURNS has been named corporate controller. Before going with the organization at the Atlanta headquarters in 1952, Mr. Burns was senior executive officer with a national public accounting firm.



R. A. NUNLIST

EUGENE K. HEINEMAN has been appointed assistant to the treasurer, National Electric Products Corporation, Pittsburgh, to succeed John W. Schuck, retired after 45 years with the company. A graduate of the University of Pittsburgh (1934), Mr. Heineman began with the company in 1935 as tabulating machine supervisor.

ANDREW W. HUGHES has been designated controller of Rheem Manufacturing Company, New York. With the company since 1943, he has served in engineering, sales and administrative posts and was chief auditor before becoming acting controller in March.

JOHN A. LANDY, JR. has become vice president of finance and controller of Chemical Construction Corporation, New York, a subsidiary of Electric Bond & Share Company. Previously he was secretary of Jos. E. Seagram & Sons, Inc.

HARRY J. MOORE, JR. has been named director of purchasing, International Business Machines Corporation, New York.



D. E. NORTON



SCOTT HARROD



W. R. WILSON



L. S. ZIEVE

WILLIAM R. WILSON, treasurer since 1941 of Philco Corporation, Philadelphia, has additionally been named chief financial officer, to succeed Dr. Courtney Pitt, vice president-finance. Mr. Wilson went with Philco in 1931, was assistant to the treasurer, then controller before becoming treasurer.

LEONARD S. ZIEVE has been appointed treasurer, The Toni Division of The Gillette Company, Chicago. He succeeds Martin N. Sandler, now vice president in charge of advertising and brand promotion. Mr. Zieve began with Toni in 1946 as cost accountant, advancing to assistant controller in 1948, to controller in 1951.

CARL E. GLANS, formerly accountant in the controller's office, has been appointed controller, Upsala College, East Orange, N. J. He also has been a lecturer in the business administration department. Before going with Upsala in 1952 Mr. Glans had been credit and office manager of Eastern Equipment Sales, Springfield, Mass.

NICHOLAS J. PUPPO, who joined Triangle Container Corporation, Chicago, in 1954 as credit manager, has been elected assistant treasurer of the company.

ANDREW F. DENARI has become president of Pittston Company, New York. Mr. Denari has been associated with Pittston and its predecessor companies for 30 years and was executive vice president up to his new appointment.

DELMAR E. NORTON, CPA, formerly with Arthur Andersen & Company, has been named assistant controller, Walter E. Heller & Company, Chicago, commercial financing concern.

SCOTT HARROD, formerly vice president of finance, has been named vice president in charge of development research, manufacturing and finance, DITTO, Incorporated, Chicago. Before joining DITTO in June 1955 he was secretary and treasurer, Bell & Howell Company, Chicago.

JOSEPH SAIK, recently named vice president and treasurer of Adam Hat Stores, Inc. and its subsidiaries, will continue as secretary, general counsel and director of the chain. Mr. Saik also was named treasurer of three Adam subsidiaries: Gemex Corporation, Canada Dry of Germany and Canada Dry Bottling Company of Tokyo and Okinawa.

W. W. HARTS, JR., who joined Firth Carpet Company, New York, as treasurer in 1950, now has been advanced to vice president. He is a director in the company.

EDWIN H. CRICHLEY, formerly assistant controller, has been named controller, The Parker Appliance Company, Cleveland. He succeeds EMILE L. DUMAS, who has become president and general manager of Emmett Machine & Manufacturing Company, Inc., Akron. Both men are certified public accountants and graduates of the Robert Morris School of Business.

ROBERT W. NORCROSS, formerly credit manager of Servel, Inc., has joined the Allen B. Du Mont Laboratories, Inc., Clifton, N. J., as general credit manager. In the newly created post, he is supervising credit functions in all divisions of the company.

GEORGE H. COE has been advanced from assistant cashier to vice president in charge of the credit department, Tradesmen's National Bank, New Haven, Conn. He started in the bank's bookkeeping department in 1939, subsequently specialized in commercial credit. He studied at Boston University and the Graduate School of Banking, Rutgers University.

(Turn to next page)

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**JOSEPH O. MITHUS** has advanced to secretary and treasurer of Webster Electric Company, Racine, Wis., from assistant secretary-treasurer and controller. Prior to joining Webster in 1942 he was with the trust department of Chase National Bank of New York from 1929-36 and with a public accounting firm in Milwaukee. He is immediate past president of the Controllers Institute of America, Milwaukee Control.

**GORDON EDWARDS**, treasurer, has been named vice president of Kraft Foods Company, Chicago. He began with Kraft in 1949 as assistant treasurer and budget director, becoming treasurer and a director in 1955. A graduate of George Washington University, Mr. Edwards began his career in 1927 with Chevy Chase Dairy of Washington, D. C., a division of National Dairy Products Corporation, and advanced to controller, midwestern district.

**GEORGE T. PFIFER** has become vice president in charge of finance, E. W. Bliss Company, Canton, Ohio. He formerly was treasurer of National Can Corporation, and prior to that was associated with Trailmobile, Inc. and with D. G. Sisterton & Company, certified public accountants.

**JAMES E. ENRIGHT** has been advanced to assistant treasurer, Cook Electric Company, Chicago. He began in 1944 as general accountant and since 1950 has served as assistant to the treasurer. Earlier he had been with The Peoples Gas Light & Coke Company, Chicago.

**D. F. WRIGHT**, since 1942 controller for General Mills, Inc., Sperry operations in western United States, has been designated assistant to the president. He began with the company in 1923 as an accountant.

**D. G. McELLIOTT**, formerly assistant controller and personnel and salary administrator, succeeds Mr. Wright as controller of Sperry operations.

**LEWIS A. G. MARTORANO** has become assistant treasurer of Birdsboro Steel Foundry & Machine Company, Birdsboro, Pa. A certified public accountant, he formerly was on the staff of Lybrand, Ross Bros. & Montgomery, Philadelphia. He is a member of the National Society for Business Budgeting.



J. O. MITHUS



GORDON EDWARDS



G. T. PFIFER



J. E. ENRIGHT



L. A. G. MARTORANO



G. A. ERICKSON

**GRANVILLE A. ERICKSON** has been advanced to assistant vice president of Walter E. Heller & Company, Chicago. He will be assistant to Ralph H. Carlson, vice president in charge of the factoring division. He began with the company 26 years ago and for the last ten years has been credit manager in the factoring division.

At Crocker-Anglo National Bank, San Francisco, **JOHN R. DRYDEN**, credit department manager, head of office, is one of six officers promoted to vice president from assistant vice president. The others are: Monroe A. Bloom, Harry A. Gabriel, Ralph V. Johnson, A. L. Pierotti and James N. Froome, Jr. Mr. Dryden began with the bank in 1930 as bookkeeper, advancing to teller, then to assistant vice president and manager of the credit department in 1950.

In promotions at The Hanover Bank, New York City, **HENRY F. SKELTON** and **JAMES T. GILL** have been advanced to vice president from assistant vice president. Mr. Skelton began with the bank in 1926. Mr. Gill, with Hanover since 1932, formerly was in charge of the New York City division of the credit department.

**HERBERT C. WOLF** has been promoted to assistant credit manager, The L and P Electric Company, Inc., Brooklyn, N. Y.

**R. J. McGINNITY**, with Natco Corporation, Pittsburgh, since 1929, has been appointed treasurer of the company. He joined the company in 1929 and served as tax accountant and insurance manager before becoming assistant treasurer and assistant secretary, his position prior to his new appointment.

**PAUL GALLAGHER** succeeds Mr. McGinnity as assistant treasurer and assistant secretary. He joined the company in 1954 and has served in the treasury department.

**ARTHUR J. HUNT** has been made assistant cashier, Houston (Texas) National Bank. Mr. Hunt is chairman of the oil field division of Houston Association of Credit Men.

Also promoted to assistant cashier are George W. Meyer and Matthew H. Van Dusen.

**W. L. CARROLL**, formerly treasurer, has become vice president of finance, Westinghouse Electric International Company, New York City. He will direct all treasury and accounting activities of the organization. In 1926 Mr. Carroll joined the Westinghouse graduate student training program in East Pittsburgh and he has served in the order and industrial sales departments. He holds the E.E. from Massachusetts Institute of Technology and M.B.A. from New York University.

**DONALD L. WEEDA** has been promoted to treasurer of Michigan Limestone Division, United States Steel Corporation, Detroit. He began as a credit trainee with American Steel & Wire Division of U. S. Steel in Chicago, and in 1951 was transferred to Michigan Limestone division as assistant treasurer.

**R. L. HUEY**, formerly assistant controller, has become controller, Strand-Steel Corporation, unit of National Steel Corporation, at Ecorse, Detroit, Mich.

**WALTER B. W. WILSON** is the newly appointed assistant treasurer of Basic Incorporated, Cleveland. He formerly was assistant to the president of New York Stock Exchange.

# Written Credit Policy for Newspaper Urged To Boost Profit and Department Prestige

CREDIT policies should be written policies; in the newspaper field, where documented principles and procedures of the department are not even generally to be found, both volume of profit and level of prestige and service would be improved by getting aboard the bandwagon, says A. F. Gerecke, credit and adjustment manager of the St. Louis Post-Dispatch and Stations KSD and KSD-TV.

Credit management in many newspaper firms does not have the recognition commensurate with responsibility to protect the company's income by granting credits and collecting outstanding balances. A credit manager who loses too much of the newspaper's income, or jeopardizes customer relations, would probably be replaced, thereby gaining prompt recognition from management adversely and too late.

There is little doubt, however, that some credit managers, who do not believe they have been properly recognized, actually have failed: (1) to make themselves known inside and outside of their organizations; (2) to dramatize their jobs; (3) to develop customer relations, and (4) to continue their education in the credit and financial field by learning, listening and laboring.

It would therefore be a sensible and simple thing for them to work out a written credit policy with the proper executives and circulate it among advertisers, salesmen, advertising department heads and members of management. It would be an elemental means of pointing up the 'rules' they have to work with."

Declaring that a written credit policy requires a meeting of minds between management and department as well as between company and customer, Mr. Gerecke points out six ways in which its application to the newspaper media would be helpful:



A. F. GERECKE

**A**RTHUR F. GERECKE, manager of the credit and collection departments of the St. Louis Post-Dispatch and Stations KSD and KSD-TV, is immediate past president of the St. Louis Association of Credit Men.

Mr. Gerecke was moderator of the panel on "Why Should a Credit Executive Call on Customers?", a highlight of the plenary sessions at the 60th Annual Credit Congress, in Cincinnati. He was chairman of the Advertising Media Group at the Houston convention, and addressed the Group at Cincinnati.

"1. Acquainting others on the newspaper with credit terms and payments—accounting and credit personnel; salesmen, advertising executives; members of top management; advertising agencies, and customers.

"2. Enforcing credit terms. It backs up the credit manager by proving that all customers are treated alike.

"3. Alerting delinquent accounts to the fact that they are violating credit policy and damaging their credit whenever special arrangements have to be made.

"4. Discouraging requests for special consideration. The credit manager can show the written policy, just as a salesman shows his rate card.

"5. Improving customer relations.

"6. Changing the credit policy. The revised written policy becomes the credit manager's prime authority."

#### *Advertisers Expect Extended Limits*

All businesses have written pricing policies, at least price lists, even for "special deals," Mr. Gerecke told the Advertising Media Group at the Credit Congress in Cincinnati. He noted that the retail mercantile field has its credit lines for 30-day charge accounts, interest-bearing charge accounts, revolving accounts, budget accounts, instalment accounts.

"Because long term credit and delayed billings are increasing in the

wholesale and jobbing field, some advertisers expect that newspapers also should grant extended time limits for payments."

Written policies are manifold in the publication field — advertising rate cards, deadlines, circulation, mailing, advertising makeup, advertising sales, want ads, editorial style books, mechanical department requirements, rates of subscriptions, for dealers and carriers, rates even for return of papers. But not written credit policies!

"Our country is now in the greatest expansion of credit in its history," Mr. Gerecke observes. "It seems necessary to have the credit policy recorded to help avoid confusion, misunderstanding and customer dissatisfaction. Automobiles came first; good roads followed. Credit expansion is here; development of credit management is following. John Wanamaker was first to put positive price tags on his goods; now the practice is universal. Some day written credit policies will prevail in all industries."

#### **Federal of Chicago Compares Real vs. Illusory Output**

Value of the country's output of goods and services for 1956 should top the previous year by about 5 per cent, according to the Federal Reserve Bank of Chicago, which points out however, that, after adjustment for price changes, the increase may run only 2 to 3 per cent. This contrasts with 7 per cent (real) gain in 1955. "Despite some inflationary pressure in 1956," reports the bank in its monthly review, 'Business Conditions,' the year as a whole provides a solid example of a "rolling readjustment," with certain soft spots foreseen at the beginning of the year and materials not utilized by depressed industries being absorbed by other lines.

#### **Canada Discount Rate Advanced**

The Bank of Canada has advanced the discount rate to 3½ per cent, from the previous rate of 3¼ per cent. The increase was the sixth since August 1955.

# Guides to Improved Executive Operation

## KEEPING INFORMED

### A LEGAL ANALYSIS OF THE APPRAISAL

AGREEMENT—Monograph by Max J. Gwertzman, New York insurance attorney. Clarifying the pertinent rules prevailing in light of a nationwide study, the author shows that the agreement, made part of the contract in the Standard Fire Insurance Policy in order to minimize litigation of differences between policyholders and insurance companies, actually has been in itself the subject of many court actions. Mr. Gwertzman says the courts almost universally have held the agreement invalid when it goes beyond stipulating a method for fixing the amount of loss and attempts to determine liability as well as damages.

Write Insurance Advocate, 135 William St., New York 38, N. Y. Single copy \$1.00. Discounts for quantities.

### LET'S TALK ABOUT CONTRACT BONDS

—Henry G. Sheehy, vice president, Massachusetts Bonding and Insurance Company, Boston 6, Mass., discusses factors interesting the surety company before bonding a contractor, such as the extent of his experience, his work on hand, capital, financial statement, reputation (character), a comparison of bids, his other insurance business. Mr. Sheehy cites the importance of the field—\$60 billions construction business in 1955, public construction alone more than \$20 billions. The pamphlet is a reprint from "The Concentrator."

### SECURITIES OF THE UNITED STATES GOVERNMENT

The 17th edition of this 130-page factual material, after discussing credit and debt management factors, is crammed with statistics, and presents both a general review of fluctuations in the period April 1954 through March 1956 and a month-by-month study. Write the First Boston Corporation, with offices in New York, Boston, Pittsburgh, Chicago, Cleveland, San Francisco.

*Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.*

*To expedite receiving booklets described below in this column, address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 229 Fourth Ave., New York 3, N. Y.*

## EFFICIENCY TIPS

561—"Modern Merchandising with Message Repeater" 16-page illustrated brochure of Mohawk Business Machines Corporation tells how Message Repeater miniature electric tape recorder automatically delivers sales messages at point-of-purchase, is applicable to other businesses such as banks.

562—Technique of spot carbonizing for forms duplication, through application of carbon to predetermined areas of forms, thereby eliminating carbon sheets, is explained in literature of Spot Carbon Products. Free sample kit is offered.

563—"Cardioner Booklet" of Cummins-Chicago Corporation tells how Cardioner reclaims otherwise unusable damaged tabulating cards and stacks them for use. Write us for copy.

564—Study of visible type files compared with rotary files, to determine differences in space and labor factors, was made by Mosler Safe Company's system research division. For free copy of the study, write us.

565—Illustrated die-cut folder, together with product sample of Labelon Tabs for loose-leaf sheets, file folders, bound books, is available from Labelon Tape Company. Write us for copy.

566—Four-page illustrated leaflet describes the business card service of Relief Printing Corporation. Company offers free design suggestion to companies using 5,000 or more cards annually.

567—Users of offset duplicating equipment are invited to write for the new catalog of Colitho Division of Columbia Ribbon & Carbon Manufacturing Company. Three-color catalog of the complete line is subdivided into five sections, each dealing with a specific group.

## BOOK REVIEWS

OFFICE MANAGEMENT—By Charles B. Hicks, Ph.D., and Irene Place, Ed. D. \$8.65. Allyn and Bacon, Inc., 70 Fifth Ave., New York 11, N. Y.

• Recognizing office management as an indispensable part of business administration, this book presents fundamental principles and successful practices of human relations, electronic data processing, handling correspondence, communication services, records organization, duplicating services, computing machines, and automation, as well as effective material on job analysis, selection and testing of employees, and practical office supervision, including a glossary on office management and automation terms. Major emphasis is placed upon work simplification. Each chapter concludes with thought-provoking review suggestions.

THE ECONOMIC ALMANAC OF THE NATIONAL INDUSTRIAL CONFERENCE BOARD—\$3.95. Thomas Y. Crowell Co., 432 Fourth Ave., New York 16, N. Y.

• An exceptionally compact and complete selection of important business statistics, with 783 tables in its 688 pages, set in small but clear and legible type. Carries a good glossary of terms frequently used in business reports.

PSYCHOLOGY IN MANAGEMENT—by Mason Haire, University of California. 212 pages, \$3.75. McGraw-Hill Book Co., Inc., New York, N.Y.

• A study of general factors underlying problems, to establish a set of principles. Actual case history recitals are avoided. The context is directed to managers at all levels as well as college students.

For the credit executive, the educator-consultant-author emphasizes that the individual rather than the

*(Continued on opposite page)*

*Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your bookstore or direct from the publisher.*

product is of first importance for successful production. Therefore, he discusses at length "the nature of people," leadership and supervision, communication, training, productivity and wage-payment plans, and "more complex problems." A fruitful basic reading for businessmen concerned with human relations.

**FINANCIAL INSTITUTIONS (Revised Edition)**—by Erwin W. Boehmler, Roland I. Robinson, Frank H. Gane and Loring C. Farwell. \$7.80. Richard D. Irwin, Inc., Homewood, Ill.

• An up to date, complete and authoritative description of the basic workings of our financial system, with detailed explanation and analysis of more than 60 financial institutions, with a comprehensive introduction of such aspects of American finance as credit, credit instruments, commercial banking, corporation finance, investing and savings institutions, and urban and farm finance. This authoritative analysis should be on the desk of every credit and financial executive and a "must" for students of credit and finance.

**WORKING WITH THE REVENUE CODE IN 1956**—Edited by James J. Mahon, Jr. \$2.50 in cloth binding, \$2.00 in paper binding. American Institute of Accountants, 270 Madison Ave., New York 16, N. Y.

• The book, based on questions discussed in the Monthly Tax Clinic Column of the Journal of Accountancy, arranged in Code order with cross references, is designed for reference use by both professional accountants and businessmen responsible for tax decisions. It deals with specific tax problems and actual solutions by leading tax practitioners. The book presents many important and valuable experiences. A "Must" for every tax library.

**THE ROLE OF FACTORING IN MODERN BUSINESS FINANCE**—First of a new series of "Studies in Commercial Financing." By Clyde William Phelps. 70 pages. Commercial Credit Company, 14 Light Street, Baltimore 2, Md. Copies free for educational purposes.

• Basic questions about factoring and "how it may be used advantageously and by what kinds of business firms," are answered in this first of a

new series by the chairman of the department of economics, University of Southern California.

After spelling out a half-dozen kinds of businesses for which factoring "is either definitely not advantageous or usually not worthwhile," Dr. Phelps discusses four main ways in which another may gain "by transfer of its credit and collection function to a factor," and the factor's cashing of the client's receivables. He also describes other functions, cost of factoring, and trends.

Textile Banking Company is the factoring subsidiary of Commercial Credit Company.

#### OTHER BOOKS REVIEWED AND RECOMMENDED

**BROADENING THE BASE OF STOCK OWNERSHIP**—First report of the research committee of the Dartmouth Economic Research Council. 68 pages. With tables and graphs. \$1.00. Address Prof. James P. Logan, Amos Tuck School of Business Administration, Dartmouth College, Hanover, N. H.—Conclusions reached in the first year's study are: (1) Many more individuals than the current 6.5 millions should own stock; (2) Promotional activities should be accompanied by educational

programs on the nature of ownership, potential rewards, possible risks and kinds of surveillance needed. (The Graduate School of Credit and Financial Management is conducted by NACM's Credit Research Foundation, at the Amos Tuck School. Dean Arthur Upgren is on the faculty of the NACM Graduate School.—Ed.)

**ELECTRONICS IN BUSINESS, SUPPLEMENT NO. 1**—A descriptive reference guide. \$3.00. Prepared and published by Control'ership Foundation, Inc., 2 Park Ave., New York 16, Florence A. May editor; 1956. 130 pages; paper cover. First supplement to the basic study issued in 1955 brings the reference material through December 1955. Listed are magazine articles, pamphlets, proceedings, reports and books. Sections are devoted to descriptions of electronic data computing systems currently available for purchase or rental, and company installations in use. Conferences, seminars, training programs are listed.

**LIFE INSURANCE STOCK AS INVESTMENTS**—An analysis of the life insurance industry as a hitherto widely neglected medium for equity investment "meriting serious investment consideration," a shortened version of a dissertation by James T. S. Porterfield, assistant professor, Harvard University Graduate School of Business Administration, for the Ph.D. degree of Stanford. No. 9 in Stanford Business Research Series. Stanford University, Palo Alto, Calif. Price \$1.50.

use them FREE for 10 days!

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HERE'S HOW TO PULL IN THE CASH—get the "slow pays" off your books—without wasting time and money! Send today for a Free-Examination copy of the greatest group of credit and collection letters ever put between the covers of a single volume—

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by JOHN D. LITTLE

Each and every one of the 500 letters in this new book has been thoroughly tested and proved successful. Each one is ready for you to use "as is" or with only slight variations to fit your particular needs. You'll find individual letters, as well as complete series . . . dozens of openings and "hooks" to vary your approach . . . techniques and ideas ready to go to work for you AT ONCE.



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Remember, all these successful letters are ready for you to use at once . . . and any one could easily be worth hundreds of dollars to you, not only in increased collections, but in time and effort. Veteran credit men are enthusiastic in their praise of the "Complete Credit and Collection Letter Book." George J. Schatz, Vice-President of Commercial Factors Corporation, says: "This book not only supplies 'know-how,' but also makes available dozens of new credit and collection ideas." And W. R. Dunn, General Credit Manager of General Foods Corporation says: "This book is full of the how-to-do-it of making your letters human, tactful and effective."

Just a hint of the gold-mine of ideas you'll get:

- simple collection "hook" that brings in an 89% response—
- collection series that gets speedy results from bad risks—
- successful 3-stage letter that applies increasing pressure—14 "first letters" that bring in payments—
- forceful "one-shot" letter used to collect accounts charged off as uncollectible—
- successful ways to collect from non-profit organizations—
- dozens of fresh variations on the tiresome "please remit" theme—
- 3 ways to calm down customers dunned for bills already paid—
- letters to chronic "discount chiselers"—
- 5 letters to customers whose checks have "bounced."

10-DAY FREE TRIAL! Why not see for yourself how tremendously helpful these great letters can be in your work? Mail the coupon below for a Free-Examination copy of the book today!

#### MAIL THIS COUPON NOW

PRENTICE-HALL, Inc., Dept. 5130-A2, Englewood Cliffs N. J.  
Please send me a Free-Examination copy of the "Complete Credit and Collection Letter Book." Within 10 days I will either remit \$4.95 plus postage, or return the book and owe nothing.

Name . . . . .

Address . . . . .

City . . . . . Zone . . . . . State . . . . .  
SAVE! Send \$4.95 with this coupon and we will pay postage. Same return privilege; refund guaranteed.

# Modernizing the Office

## New Equipment to Speed Production and Reduce Costs

### High-Speed Whiteprinter



343 A new high-power, high-speed whiteprinter, the Peck & Harvey Manufacturing Corporation's SPEEDMASTER Model 4000C is designed to provide efficient volume production whiteprinting from translucent originals of anything drawn, typed, written, printed or photographed, up to 44 in. width. Machine handles cut sheets or roll stock at synchronized printing and developing speed up to 40 feet a minute, or over 100 square feet a minute. Features include dry ammonia vapor process of true-to-scale diazo reproduction, speed control and reversal switch, cleanliness and ease of operation. Dimensions are 60"x20"x62" high plus 14" feedboard. Net weight 700 lbs.

### Over the Floor Wiring

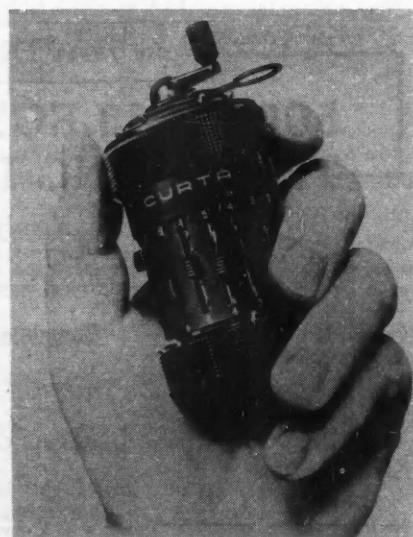
344 Made of rubber, this electrical extension duct for offices, homes and places where an electrical outlet is needed in the middle of the room, has been named ELECTRIDUCT by



*This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Address MODERNIZING, Credit & Financial Management, 229 Fourth Ave., New York 3.*

Ideas, Inc. It is stumble-proof and unobtrusive; office equipment on casters rolls over it easily. One end is plugged into a wall outlet; the other end has a two-way receptacle. Ribs on the underneath side prevent slipping on the floor. The enclosed wiring is safe from moisture. CMG Industries, Inc. is distributor.

### Fist-size Calculator



345 Although toylike in appearance, this precision instrument for businessmen and engineers, the CURTA Calculator, is said to perform complicated arithmetic problems, including multiplication running into the billions, squares, cubes, percentages, division of large numbers, square roots and the solution of equations. The calculator is small enough to be carried in pocket or briefcase. Distributor is Utility Supply Company.

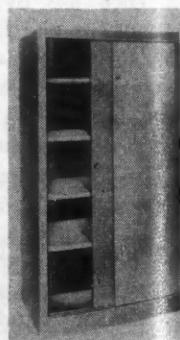
### Paper Holder for Phone



346 The TELEPOINTERS combines a handy memo paper holder with tips on courteous, efficient business telephone methods. The metal Telephone pointer holder, made by the Boyce Morgan Associates, slips easily onto the base of any rectangular telephone without screws or clamps. Included is a magnetized pencil with a dialing knob to help anyone dial fast and accurately. In each holder is a series of 12 illustrated pointers on telephone efficiency, mixed in with printed memo forms. For further information, write us.

### Space Saving Cabinet

347 This sliding door cabinet providing loads of storage space was designed by PRECISION EQUIPMENT Co. It can be used in narrow aisles or locations where the swinging door cabinet with protruding handles would be hazardous. Ideal for office supplies, books, records, etc., the sliding doors run smoothly on overhead suspended, long-wearing nylon rollers for fingertip opening and closing. Made of heavy gauge steel, this cabinet has one shelf welded in place for extra rigidity. The two other shelves may be placed in wedge slots where desired. No tools required.



ing capital. Credit managers who can develop that appreciation in 1957 will have a better year.

I expect a further increase in failures in 1957, but only at about the same rate of increase as 1956. Many retail merchants in recent years have modernized their stores—new buildings, well arranged and well lighted, new improved displays and equipment and trained personnel—but have not shown good management in two important matters: inventory control and accounts receivable control.

Yes, professional credit management has a greater task and increased responsibility for next year, and will need every available credit tool, including greater use of our own Credit Interchange reports. I am convinced we shall perform our task, and that 1957 will be another good business year.

## Only Unforeseen Economic Fumble Could Hold Down Business Score



S. A. PAYNE  
Secretary-Treasurer  
Screw Products Corporation  
Dallas, Texas

ANY ATTEMPT to predict future business trends is, at times, like trying to predict the outcome of a hotly contested football game. The ball takes funny bounces. The intangibles in our economy also take funny bounces.

However, business men in all fields must accept basic economic factors and plan future operations on a sound premise. With this in mind, it is my feeling that the 1957 business picture is good.

Here in the southwest our business activity in the late summer and early fall months did not recede, but tended to stabilize. While in some lines 1956 sales are exceeding 1955, in others they are falling short of that peak reached in 1955. This stabilization is attributed to two basic facts. First, the over-production in that boom year 1955 caused inventories to be very high during the early and middle months of 1956. Secondly, many businesses were slowed by the impending election.

Now that the election is behind us, we are already experiencing a slight increase in volume, and feel that as production gains momentum to replenish the inventories reduced this year, 1957 will give us the opportunity to reach all-time highs.

Barring some unforeseen economic fumble, the year 1957 should allow business to cross the goal line of prosperity with many touchdowns.

## More Special Problems of Credit But Trend Is for Continued Boom

L. E. FRANKENSTEIN

*Vice President*

B. Kuppenheimer & Co., Inc.  
Chicago, Illinois



THESE predictions of the 1957 business picture, made at Thanksgiving Time, are based on the assumption that the current disturbances in the Middle East will be limited and will not erupt into a major war.

Business will continue to struggle with the problems of inflation. This will be a labor cost inflation that, in many cases, will not be solved by merely increasing prices.

The soft goods industries will probably be faced with the problem of inventories, in spite of record sales in 1956.

There is no doubt that the continued expansion of retail credit and continued "tight money market" will give credit managers more special problems in 1957 than faced for several years. Failures will continue to increase in number, but they will be caused chiefly by failure of business management and will not get out of hand.

The high and low cycles of business and industry, as well as their effect on our economy, have been greatly reduced.

Overall, the trend will be for the boom to continue.

## Believes Business Rise Will Show Somewhat Retarded Rate in '57

JEROME KAUFMAN

*Vice President*

Barth Smelting Corporation  
Newark, New Jersey



ANOTHER high level plateau in business seems to be shaping up for 1957. The exact level will depend in large part on consumer reception of the new car models, and our carmakers are banking on a highly receptive market since they are predicting sales of 6,500,000 to 7,000,000 cars; on the trend of home building;

and on industry's ability to finance still larger capital outlays. All of these factors will depend to a great extent on the money market. At present, as a deterrent to further inflation, our authorities are keeping money and credit tight. This policy may be relaxed or further tightened, depending on business developments.

Right now business activity is at a new record high. However, I believe that the rise in business will be at a somewhat retarded rate in 1957. For one thing, businessmen expect to reduce sharply the current \$4 billion rate of inventory accumulation. For another, the available work force is already fully employed, and so production can hardly climb very much from now on, unless output per man-hour speeds up. Recent polls indicate that businessmen themselves do not expect production to rise much further after next spring. Manufacturers, on the average, expect sales to increase 6 per cent between September 1956 and September, 1957. However, they also expect to trim their inventory stockpiling and consequently production will not rise as much as sales.

This almost universal optimism among business executives despite, in many instances, thinning profit margins due to higher costs and keener competition, is based on simple grounds, namely, peak employment and income which has propelled public spending into an all-time high as reflected in today's retail sales figures, and a probable increase in car sales, capital goods and public works.

## Economic Aims on Right Track; Good Years Ahead Are Insured

ROBERT L. HOWARD, *Vice President and Controller, Logan Company, Louisville, Kentucky*

AFTER studying some statistics and polishing up the old crystal ball we have come up with our interpretation of the 1957 business picture.

This picture can, and no doubt will, be distorted by the various world crises that are existing at this time, for it is our belief that these crises will get worse before they get better. In spite of these crises, the year 1957 will be as good as 1956 and in all probability a little better.

With costs increasing each day in business, management is being forced to look for new types of equipment that will speed up production and cut costs at the same time. In the past four or five years there have been rapid advances in the machine tool industry. An example: the lathes being manufactured today are turning 15 times as fast as those used before World War II. It is certain that heavy machinery and tools will have another good year in 1957 in spite of tight money.

It is to be expected in 1957 that the price of some of the metals will increase. Steel is almost a certainty to increase in price, probably in the spring of 1957. Steel supplies will stay tight for many months, as Uncle Sam will have to step up production on military supplies to meet emergency military programs. The tremendous costs of these emergency military programs will in all likelihood exceed the expenditures anticipated by the military for the year 1957.

In some quarters there seem to be those alarmists who say the inventory picture today is a dark cloud-in the sky. However, when you analyze some of the figures, a 90-billion-dollar inventory (on today's price levels about equal to 60 days sales) apparently is not too dangerous.

The Federal Reserve Board will not ease up the tightness in the money situation. This will probably mean another year of heartaches for home builders, with some of the 'fly by night' contractors falling out of the picture and the more stable contractors continuing to run a profitable business.

### Auto Dealers in Improved Position

The automotive industry should snap back in 1957 since all models are distinctly new. The automotive industry ought to have about a six and a half million unit year. Most of the dealers are now in a better position due to improvement in the used car market and lower inventories than at this time last year.

Farm income, on the rise in 1956 over 1955, will continue upward in 1957, which will help farm equipment manufacturers recoup some of their lost volume.

One contributing factor to continued good business in 1957 is of course the population growth, which now annually is increasing at the rate of more than two and one-half millions. With continued trend in the direction of larger families and younger marriages, demand for household goods and appliances should increase during 1957. The young married couples of today are demanding far more out of life than their fathers and mothers did, which of course will multiply the pressures of demand on all lines of business.

It would seem from the last election that the people are in agreement that we are now on the right track and that our objectives and economic aims will insure not only a good year for 1957 but for the years to follow.

## Bases Forecasts on Greater Aid To Nations, Economic and Military

DAN AVILA  
*Credit Manager*  
Lucky Lager Brewing Company  
San Francisco, California



CURRENT world events demand greater preparedness and activity on the part of our country, plus a greater willingness to grant military and economic aid to the democratic nations of the world.

My predictions on the Indices for mid-1957 (see his forecasts on p. 12—Ed.) assume a recognition of such desirable activity and a partial movement to accomplish the goal of a strong democratic alliance.

I assume no open hostilities, which needless to say, is wishful thinking. If hostilities should commence, I would expect the Industrial Production Index to read 165, the Wholesale Prices Index to be at 130.

# Sharp Competition Points Up Importance of Industry Meetings Day at Credit Congress

By DAVID C. TERRELL

General Chairman

Industry Meetings Committee

**SWAP DAY!** That's one way you might tersely describe Tuesday, May 14th, the big day set aside for exchange of operational ideas at the Industry Group Meetings of the 61st Annual Credit Congress, in Miami Beach May 12-16.

Industry Meetings Day takes on a new significance this year, an importance that makes it almost mandatory that all credit executives so arrange their schedules that they are certain to get to Miami Beach. 1957 presents a mixed picture, say economists. Some are predicting that an adjustment—slight, to be sure, but nevertheless complicating credit management—will be experienced at some period in this new year.

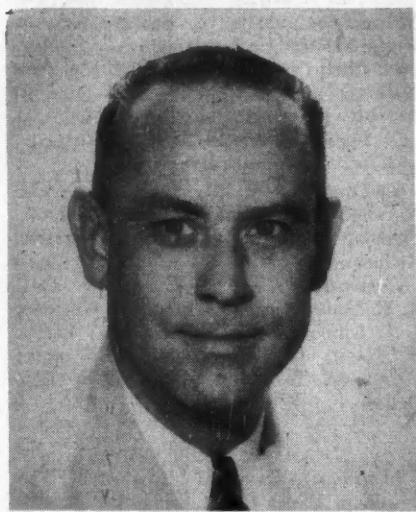
## Sharp Competition Certain

With or without such development, sharpened competition is considered a certainty, and competition coupled with inflationary pressures will put credit managers to the test in the twofold role of increasing profitable sales while protecting accounts receivable. The interchange of ideas and procedures that makes Industry Meetings Day a unique and immeasurably valuable asset to members of the National Association of Credit Men will therefore take on a vital role this year.

Many young executives never have experienced the problems of operation under the load of hard competition. The working knowledge to be derived from the systems worked out and successfully applied by older members of the credit fraternity can make a definite contribution to the profit side of the ledger of any company in the coming year.

## 32 Industry Groups

That is the function of the meetings of each of the 32 Industry Groups. Whether from the platform and the formal addresses of guest speakers, or the panel presentations, or in the roundtable discussions from the floor—a feature of every session



David C. Terrell

**B**RANCH CREDIT MANAGER of Horne-Wilson, Inc., Miami, David C. Terrell had begun in the credit field as secretary to Paul W. Miller, then vice president and treasurer, Atlantic Steel Company, Atlanta (now president and director of Marlborough Company, Atlanta).

He attended the University of Georgia extension school and holds the Executive Award from the NACM Graduate School of Credit and Financial Management (Dartmouth 1956).

After 42 months of active service as chief yeoman in the U.S. Naval Reserve, Mr. Terrell became associated with Horne-Wilson, Inc., in October 1945, under G. O. Daniel, general credit manager, and was transferred to the Miami branch in May 1947.

Mr. Terrell is a charter member of the Miami Association of Credit Men, was its president 1951-53, and was elected to its board last November. He is past president of Florida Wholesale Plumbing and Heating Group, Inc., Jacksonville. Besides being general chairman of the Industry Meetings Committee for the Miami Beach Credit Congress in May, he is chairman of the Plumbing, Heating, Air Conditioning and Refrigeration Industry Group for the convention.

—the emphasis is on day-to-day problems of the individual industry and what is being done to solve them. (Letters to National and to this publication are replete with examples showing how the information obtained at these sessions has borne fruit when put to work within the individual company.—Ed.)

Nor are the benefits limited to the exchanges of ideas at the convention

itself. Friendships established at the Group sessions are carried home to the executive's desk, and advice in an unusual situation from a fellow credit manager, following acquaintance struck up at the convention, is no farther away than the long distance telephone at his elbow.

These factors are foremost in the planning of programs by the committees of the Groups. All are hard at work engaging speakers and shaping topics to bring out the most practicable material for the individual delegate's later use.

Here is a list of committee chairmen, vice chairmen and members.

## Advertising Media

*Chairman*—R. BRUCE DEWESE, Memphis Publishing Co., Memphis.

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*Committee*—(To be selected).

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*(Continued on next page)*

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D. H. HOTCHKISS



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H. E. EMRICH



B. HIRSCHFELD

## New Executive Managers Take Office In Two California Credit Associations



Carroll E. Swanson (left) and Lee J. Fortner

THE year-end brings new executive leadership to the two largest credit associations in California: Lee J. Fortner, executive vice president and manager, Credit Managers Association of Southern California (Los Angeles), and Carroll E. Swanson, executive secretary-manager, Northern and Central California (San Francisco).

Mr. Fortner's appointment was effective November 27th following the death of Arthur D. Johnson. Mr. Swanson, associate secretary-manager for six months, assumes his new post on the retirement of Otis H. Walker December 31st.

M. W. Engleman has been appointed secretary at Los Angeles and will continue to serve as manager of the Adjustment Bureau.

It was via the Board of Trade in Los Angeles that Mr. Fortner began the advancements to association leadership. He had joined the Board of Trade in 1928 and served in practically every administrative and operational position.

For three years in World War II he was employed in an executive capacity by the U.S. Office of Scien-

tific Research and Development, working on a secret program.

After the war he joined the credit managers' association as Credit Interchange Bureau manager and developed it into one of the largest Interchange operations. The Bureau had had its beginnings in the late nineties in the Board of Trade and was developed in 1904 into a Ledger Interchange Division, taken over in 1926 by the association. The Board's secretary, the late Mr. Johnson, became association secretary-manager in 1943, and the Board was merged with the association in 1944.

Mr. Fortner, besides the Interchange management within the association, later was successively named office manager, assistant secretary, and in 1949 secretary.

Before entering association work Mr. Swanson, graduate of Columbia University, had taught school in Chanute, Kans., had become principal of Huron (Kans.) rural high school, district manager of Kansas State Veterans' Affairs Department, and had served four years in the Air Force as a captain. In 1950 at Wichita he was appointed Inter-

change manager and later in the year he moved to Springfield, Mo., as secretary-manager. He also had experience with the St. Louis and Kansas City units. After a period in Minneapolis as assistant to S. J. Haider, now NACM vice president, Mr. Swanson went to San Francisco as association public relations director in 1953.

### Lester Scott Is Advanced to Company Assistant Treasurer

Lester C. Scott, vice president, Southern division, National Association of Credit Men, has received promotion to assistant treasurer of E. L. Bruce Company, Memphis, of which he is a director. He had been assistant secretary and credit manager. In his new post he will continue to supervise credits.



L. C. SCOTT

Mr. Scott is a past president of the NACM Mid-South Unit, Memphis, and from 1948-50 he served as director in the National association. Last year a banquet honoring Mr. Scott for 30 years' devotion to credit progress was tendered by the Memphis association. He has for years been active in the Royal Order of Zebras; in the Memphis Herd he has held every office; he has been Southern Ranger of the organization, Grand Counselor of the National Corral, and in 1952 he was elected Grand Exalted Super Zeb.

### Credit Women Welcome New Charleston, W. Va. Group

Miss Lucille Dunn, Chemcity Electronic Distributors, has been elected president of the newly formed Kanawha Valley Credit Women's Group, in Charleston, W. Va. Mrs. Loretta Johnston, F. D. Lawrence Electric Company, Cincinnati, member national credit women's executive committee, was instrumental in organization of the unit, which brings to 57 the number of Credit Women's Groups.

Other officers are: vice president, Miss Lorena Hefner, A & I Supply Company; secretary, Miss Irene Jones, Charleston Association of Credit Men, and treasurer, Miss Roberta Plovanich, Capital City Supply Company, all of Charleston.

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which performs the research and professional development functions of the National Association of Credit Men

## **Heimann Decries "False Philosophies," Addressing Great Lakes Conference**

**D**ECRYING two "false philosophies", one relating to dreamy theory that the nation no longer can be subject to business adjustments, the other venturing that the welfare of the farm population is becoming less important in the general economy, Henry H. Heimann told the Great Lakes Regional Credit Conference that America should "keep its guard up."

"No free nation is depression-proof," the executive vice-president of the National Association of Credit Men advised the South Bend gathering which brought together credit executives of Indiana, Illinois, Wisconsin and Southern Michigan. "An alert free nation can aid in controlling a depression and keeping it mild in character, but so long as people can exercise their own judgment and buy as they wish, we are bound to go to excesses. When we do, an adjustment is in order."

### **Permanent Subsidy a Mistake**

Of the farm problem Mr. Heimann said, at the final luncheon session: "You cannot improve the farmer's status by constantly resorting to artificial devices. If you recognize that farm prosperity is essential to general prosperity, you must do everything possible to acquire prosperity in a normal way. You merely pile up additional trouble when you resort to subsidy programs and maintain them on a permanent basis. There is nothing more important in the nation than to give thought and study to the welfare of the farmer."

NACM President Stumborg, assistant treasurer and credit executive of the Baldwin Piano Company, Cincinnati, responded to the welcome at the opening luncheon and was followed by an address on "Human Relations" by Raymond G. O'Bryant, of the Indiana Institute of Leadership Training, South Bend.

Banking was the subject of the address starting the afternoon session. The speaker was Dr. Wilbert M. Schneider, dean, Emmanuel Missionary College, Berrien Springs, Mich.

A panel discussion on business, economics and finance followed, led

off by the moderator, J. Allen MacLean, general manager, Automotive Division, Bendix Products Division of Bendix Aviation Corporation. Panel members were Robert Vickers, manager, Automotive Credit Service, Inc., Detroit; Andrew Place, President, Place & Co., South Bend; Murray Trescott, vice president and investment officer, First Bank and Trust Company, South Bend; and Dr. J. W. Culliton, dean, school of business administration, University of Notre Dame, South Bend.

"Technique of Out-of-Town Credit Interviews" was the topic of C. A. Potts, credit manager, Berger Division, Republic Steel Corporation, Canton, Ohio.

Clarence E. Manion, attorney, Doran and Manion, South Bend, was the dinner speaker, on "The Constitution Is Your Business."

William M. Edens, assistant controller and credit manager, Continental Illinois National Bank and Trust Company of Chicago, was moderator of the Friday morning discussion; the floor manager was Ray J. Grainger, Dun & Bradstreet, Inc., South Bend; and the summarizer, Phillip G. Moon, assistant vice president, National Bank of Detroit.

### **Fuhrman Is Named Manager of North Nevada Board of Trade**

R. B. Fuhrman has been named manager of the Northern Nevada Board of Trade, succeeding Gerald Barnett.

Mr. Fuhrman, office manager of Chism Ice Cream Company, Reno, for more than nine years, has also been an insurance salesman, assistant controller for the Nevada office of the Bureau of Internal Revenue, a price specialist and information officer for the Office of Price Administration, and a salesman with the Humphrey Supply Company.

Graduate of the University of Nevada, Mr. Fuhrman is a past president of Community Welfare, Inc., and the Reno Kiwanis Club.

### **Hendrick Addresses Oklahoma Division's 50th Year Tribute**

NACM Oklahoma Division members and guests recently gathered to mark the completion of 50 years' activity, paying tribute to past presidents of the credit association. T. B. Hendrick, president, Collins - Dietz - Morris Company, Oklahoma City, whose business record is almost



**T. B. HENDRICK**

as long as that of the association was principal banquet speaker. Mr. Hendrick is a past director of the National association, past president of the Oklahoma Division, and has for years been instructor in the National Institute of Credit. Mr. Hendrick's work in credit began some 35 years ago. His business career dates from 1910.

Past presidents honored with their wives were: W. L. Weir, Claude Schofield, C. H. Hogan, John McNair, Leslie Wilson, C. S. Dalbey, H. W. Hardy, M. D. Pemberton, Harry Cook, W. E. Titus, J. Carl Fowler, Asa Schenck, Mr. Hendrick, H. G. Bauers, J. B. Carney, Earl Hill, Mark T. Harris, Ed. Martin, Harry Smith, Don Meade, Mack Landrum, Ray Curtis and Henry G. Baker.

R. M. Brown, of Federal Corporation, is president of the association and W. L. Stone is executive-secretary.

### **Bercow Retires: Niederman Is Treasurer, Century Companies**

With the coming retirement, at year-end, of Morris Bercow as treasurer and general credit manager of Century Ribbon Mills, Inc., and Century Factors, Inc., Daniel Niederman, secretary and director, has been elected to succeed Mr. Bercow as treasurer.



**R. B. FUHRMAN**

Mr. Bercow, after military service in World War I, rejoined the Ernest & Herman Levy firm as general credit manager, in 1922. Shortly thereafter the firm adopted the corporate name Century Ribbons, Inc., and Century Factors, Inc., also was organized. Mr. Bercow was named general credit manager of both, and was elected assistant treasurer. He was made a director in 1942, and was secretary until April 1948 when he became treasurer.

*Research is like saving—  
if postponed until needed,  
it is too late to start.*  
—Anonymous

### Farm Prosperity Vital, Heimann Tells Tri-State at Waterloo

"Nothing could be farther from the truth than the false philosophy that farm prosperity is not so important as in other years, now that the farm population has been declining and represents a relatively smaller group participation in our economy." Speaking before the Tri-State Credit Conference at Waterloo, Iowa, Henry H. Heimann, executive vice president, National Association of Credit Men, told the conferees from Iowa, Nebraska and South Dakota: "You cannot for a continuous period of time have a depressed farm situation, or even a farm situation in which agriculture does not receive its fair share of the general prosperity, without experiencing a reaction in the industrial world."

"Some of the old virtues that made America strong in the first place are needed to make America strong now," declared Bruce F. Gates, president emeritus of Gates Business college. "Hard work, ingenuity and a basic Christian philosophy of life" are needed to keep America strong as a nation, he told the executives. Other speakers included Dr. E. E. Garbee, president, Upper Iowa University; Robert F. Penaluna, president, ninth district, Associated Credit Bureaus of America; and Hans Tofte, president, Klipto Loose-Leaf Company, Mason City, who was banquet speaker.

Restudy of existing tax laws was the subject of a conference resolution which calls upon "every member of the conference to contact all local, state and federal offices to consider ways and means of reducing governmental operating expenses."

A credit management workshop on the second afternoon of the three-day conference had W. Don Eck, general credit manager, Paxton & Gallagher Company, Omaha, as moderator. C. G. Rickhoff, general credit manager, Rath Packing Company, was conference chairman and Cletus W. Pavelka, Seven-Up Bottling Company, Waterloo, president of the Waterloo Association of Credit Men, was co-chairman. Craig H. Mosier, attorney, is secretary of the host Waterloo association.

## Commercial Atomics Share Interest With Industry Groups at Quad State

If atomic energy as a peacetime tool is to prosper, "the solution to many of its problems must come from you gentlemen individually and from the organizations you represent," Harold E. Thayer, vice president, Mallinckrodt Chemical Works and manager, uranium division, advised credit executives from Missouri, Indiana, Illinois and Kansas, assembled in St. Louis for the annual Quad State Credit Congress. "Systematic ordered thinking, imagination, and, in an unusual degree, the saving grace of common sense" are called for, he explained, and "if ever an organization could identify its members with these basic qualities, I think your organization can."

In Mr. Thayer's inability to be present, his address was delivered by David F. Cope, of the Atomic Energy Commission, Oak Ridge, Tenn.

Economics of the atomic age shared the stage with current credit trends and Industry Group meetings in the three-day conference.

### Heimann Warns of Overexpansion

Henry H. Heimann, executive vice president, National Association of Credit Men, discussing trends in "Our Modern Credit World," noted that while "credit commitments are high, it is logical to assume they will continue to reach new peaks as we grow in population and industry. Competent credit executives are not so much concerned about credit losses as they are about the consequences of an overexpansion in credit."

Small business organizations would benefit from a suggested reduction in the corporate tax, said Mr. Heimann, noting that "a proposed further cut in corporate taxes on the first \$30,000 to \$50,000 of earnings would have to apply to big and small business alike if it is to be constitutional, but it would be more helpful to small business, which is having difficulty financing its needs."

"A business enterprise seeking a line of credit from a supplier today will do well to consult with the latter's credit management on how best to qualify to give complete answers to 12 basic questions," Irwin Stumborg, president, National Association of Credit Men, told the financial ex-

ecutives. Labor policy, production efficiency, cash position, guaranteed annual wage—these are among factors the credit executive must consider.

### Gerecke Heads Panel

A. F. Gerecke, manager credit and adjustment department, Pulitzer Publishing Company, past president, St. Louis Association of Credit Men, was chairman of the "Economics of the Atomic Age" panel on Thursday. Participating with Mr. Cope in the panel were: Edwin M. Clark, president, Southwestern Bell Telephone Company; Daniel P. Loomis, chairman, Association of Western Railways, Chicago, and Rex R. Bailey, president, Doane Agricultural Service, Inc.

"The atomic age will bring a higher general standard of living while putting an increased premium on the skilled worker," Mr. Clark said. "Increased efficiency in farm production" is envisioned by Mr. Bailey, who does not foresee "corporation farming" but rather "the larger family-size farm, in which there are two workers, and the man in charge can get a vacation." Mr. Loomis forecast tremendous expansion in the nation's transport facilities in the next 10 to 15 years, but ventured no prediction as to the use of "atomic energy as a factor in moving trains, which is still experimental."

"Credit Managers—With or Without" was the subject of Charles "Chuck" Hanna, humorist and industrial consultant.

Milton Carpenter, controller of the City of St. Louis, welcomed the executives. Joseph Vallero, credit and office manager, National Auto Supply Company, is president of the host St. Louis Association of Credit Men, and J. F. Schofield is secretary-manager. S. M. Cole, division credit manager, Ralston Purina Company, was general chairman of the gathering.

The third day's session was devoted to Industry Group meetings, with nine industry groups participating.

*Every man is a volume, if  
you know how to read him.*  
—Channing

## CALENDAR OF EVENTS IMPORTANT TO CREDIT

### SANTA BARBARA, CALIFORNIA

January 24-26

Credit Management Workshop

### DELAVAN, WISCONSIN

January 16-18

Credit Management Workshop

### PORLAND, OREGON

March 20-21-22

Annual Northwest Credit Conference

### BOSTON, MASSACHUSETTS

March 25-27

Credit Management Workshop

### MIAMI BEACH, FLORIDA

May 12-16

61st Annual Credit Congress and Convention, National Association of Credit Men

### STANFORD, CALIFORNIA

July 7-20

Stanford University Session of the NACM Graduate School of Credit and Financial Management

### HANOVER, NEW HAMPSHIRE

July 31-August 3

First Alumni Conference of the NACM Graduate School of Credit and Financial Management, Dartmouth College Campus

### HANOVER, NEW HAMPSHIRE

August 4-17

Dartmouth College Session of the NACM Graduate School of Credit and Financial Management

### CHICAGO, ILLINOIS

September 19-20

Great Lakes Regional Credit Conference, including Illinois, Indiana, Michigan and Wisconsin

### LINCOLN, NEBRASKA

September 25-27

Annual Tri-State Credit Conference, including Iowa, Nebraska and South Dakota

### BUFFALO, NEW YORK

October 17-19

Tri-State Credit Conference, including New York, New Jersey and Eastern Pennsylvania

### CHATTANOOGA, TENNESSEE

October 19-22

Annual Southeastern Credit Conference, covering Tennessee, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, Louisiana

### First Graduate School Alumni Conference Will Open July 31st

THE first Graduate School Alumni Conference, open to Executive Award holders only, will be held immediately preceding the Dartmouth 1957 session, according to announcement by W. J. Dickson, executive director, Graduate School; director of education, National Association of Credit Men; and managing director, Credit Research Foundation, Inc.

The Conference, July 31st to August 3d, will be held on the campus of Dartmouth College. Sessions will be in the Tuck School of Business, meals will be at Hanover Inn, and housing will be in a selected Dartmouth dormitory.

The major aim of the Conference will be to "look ahead" in major areas of the Graduate School curriculum in which graduates have expressed particular interest.

#### Theme: "Growing with America"

"The Conference," Mr. Dickson said, "provides Executive Award holders a special opportunity to consider the implications of sweeping changes on the community, company, department and individual, to begin to determine the required decisions to meet these challenges, and to formulate plans for effective action."

"The theme will be 'Growing with America'—in finance, business credit management, management policies and philosophies, and in the individual requirements for success."

"Primary emphasis will be on the requirements for effectively meeting these challenges. Participation will be limited strictly to 60, on a first-come basis."

Plans for personnel to direct the

Conference are almost complete. To date the list includes:

DR. ARTHUR R. UPGREN, dean and director of research, The Amos Tuck School, Dartmouth College;

CHAPIN HOSKINS, chairman of the trustees, Institute for Trend Research, Hopkinton, N. H.;

DR. JOHN GRISWOLD, professor of finance, The Amos Tuck School;

DR. WAYNE G. BROEHL, JR., assistant professor of business administration, The Amos Tuck School;

ROBERT K. GREENLEAF, director of personnel and research, American Telephone and Telegraph, New York City; and

ARTHUR J. SHEDLIN, director, Arthur Shedlin Associates, management consultants, Woodstock, Ill.

All have nationwide reputations as authors, lecturers and consultants.

#### First General Meeting July 31st

The Conference will begin at 5 p.m. Wednesday, July 31, with registration and a social hour, followed by dinner and the first general meeting. Thursday and Friday will be full working days, with a combination of illustrated individual presentations, general discussions, and small group sessions.

The Conference will formally close Friday night, with a dinner and general summary, but most participants will be leaving after breakfast on Saturday, August 3d.

#### Referee Stages Court Scene For His Talk on Bankruptcy

A plea for the showing of greater interest by creditors with claims against debtors—an appeal which is being emphasized by the NACM Fraud Prevention Department—was made by G. H. Butt, referee in bankruptcy, U. S. district court, southern district of Ohio, eastern division, in addressing a meeting of the Columbus Credit Association.

Mr. Butt prefaced his address by conducting a 15-minute duplicate of a bankruptcy hearing, with the auditorium as a courtroom. His bailiff called the audience to its feet for the opening of court and the referee appeared at the speaker's rostrum in his black judicial robe.

All present were given copies of a 59-question-and-answer study of the Bankruptcy Act, prepared by Mr. Butt and his staff, from questions submitted in advance in writing to the referee's office by association members.



R. E. EDWARDS



M. M. JOHNSON

## Executives in the News



N. D. STOLL



M. A. BEMIS



JOSEPH VALLERO



H. C. LUICK

held by Mr. Vallero, who is credit and office manager of National Auto Supply Company, East St. Louis, Ill.: Exalted Superzeb, St. Louis Herd, Royal Order of Zebras; national president, Blackburn College Alumni Association; past treasurer, Junior Chamber of Commerce. He contributed to CFM's "Credit Problem of the Month" (April '53); Symposium on "Tax Reserve in Financial Statements" (April '56).

### *Up From the Ranks, He Encourages Young People*

The president of the Credit Managers Association of Erie (Pa.), Milton A. Bemis recalls that 20 years ago he began employment with Hays Manufacturing Company of that city and, working his way up through the ranks, became credit manager of the company ten years later.

The father of five, who include a set of twins, Mr. Bemis naturally takes a keen interest in youth, particularly through church activities. He is a church elder and Sunday School superintendent. His garden, along the shores of Lake Erie, is another interest.

### *Minnesota Banker 37 Years Works for Youth Well-Being*

Veteran Minneapolis bank official Homer C. Luick, assistant vice president of Northwestern National Bank, has won honor as president of the Minneapolis Association of Credit Men. Born in Eagle Grove, Iowa, in 1897, Mr. Luick has been with the bank 37 years. He holds the degree of the Minnesota College of Law, which he attended at night.

Mr. Luick is an enthusiastic hunter and fisherman, but devotes much of his outside time to directing youth activities in organizations such as the Boy Scouts and Junior Achievement, Inc. He has two sons, Homer, Jr. and Howard.

### *Nebraskan Rose from Factory To Head Credits, Accounting*

The president of The Omaha Association of Credit Men, Richard E. Edwards, began with Bemis Bro. Bag Company, Omaha, in 1933 as a clerk in the factory. Transferred to office duties in 1936, he augmented usefulness to company with night school studies at the University of Omaha, in courses sponsored by the National Institute of Credit. He received the Fellow Award of the Institute in 1954, meanwhile advancing to head of his company's accounting department in 1945. He also is credit manager.

Parents of four, ranging in age from 7 to 14 years, Mr. and Mrs. Edwards are active in youth interests.

### *St. Louis Leader Practices Selling Role He Advocates*

"Today's credit manager should feel as keenly as the sales manager that he is selling for the company." This precept enunciated in 1953 by Joseph Vallero, president of the St. Louis Association of Credit Men, holds as true today. Among offices

### *From Sales, Dealer Relations To Company Credit Guardian*

Sales and dealer relations are interwoven in the career background of Norman D. Stoll, credit manager of Wolverine Brass Works, Grand Rapids, the newly elected president of NACM Western Michigan, Inc. Following graduation from Grand Rapids Junior College and Northwestern University school of commerce, Mr. Stoll was for four years in the sales, credit and dealer relation departments of Firestone Tire & Rubber Company. He served with the Army Ground Forces in World War II and went with Wolverine Brass Works 10 years ago.

### *Training, Education Undergird Louisville President's Role*

"And gladly wold he lerne, and gladly teche." Chaucer's phrase is truly applicable to Marion M. Johnson, treasurer of Brown-Forman Distillers Corporation, Louisville, Ky., recently named president of the Louisville Credit Men's Association. Graduate of Clark College of Commerce, Louisville, he holds the M.B.A. and LL.B. from the University of Louisville. At the NACM Dartmouth Graduate School of Credit and Financial Management, in 1952 he won the American Petroleum Credit Association Meritorious Achievement Award.

Mr. Johnson teaches two credit courses at the University of Louisville. In the National association he is a trustee of Credit Research Foundation, member of committee on professional development and education, and Dartmouth NACM graduate school faculty member.

He began with his company in 1937 as accounting clerk, became credit manager in 1950. He is secretary of the corporation's finance committee and a director of Brown-Forman Industries, a subsidiary. Recommended reading: Mr. Johnson's contribution to CFM's "Management at Work" August 1952.



## Reports from the Field

DES MOINES, IOWA—E. T. Burk, auditor for the Iowa Highway Commission, discussed estimates, and the filing and handling of claims, at the meeting of the Bonded Contractors' Group of NACM Iowa Unit.

GREEN BAY, WIS.—"Understanding People" provided the theme for M. D. Doyle, training manager, Miller Brewing Company, Milwaukee, and formerly with the Industrial Management Institute, University of Wisconsin, at the meeting of the Northern Wisconsin-Michigan Association of Credit Men.

ALBANY, N. Y.—Effects of the Federal Reserve System's monetary policies on credit availability were discussed by H. Walter Condon, of Hemphill, Noyes & Company, at the dinner meeting of the Eastern New York Association of Credit Executives.

SOUTH BEND, IND.—Dorothy M. Nichols, research economist with the Federal Reserve Bank, Chicago, was business meeting speaker before the NACM St. Joseph Valley Chapter, in Mishawaka, Ind.

SIOUX CITY, IOWA—Par clearance of checks, subject of a proposed South Dakota law, was the topic of discussion at the combined meeting of the NACM Interstate Division and the Sioux City Wholesale Credit Women. Speakers were Dean C. Rallis of Huron, executive secretary, and G. W. O'Donnell of Sioux Falls, state director, South Dakota Par Clearance Association; L. Motz, retired district credit manager of Armour & Company, and Dale C. Putnam, secretary, Metz Baking Company, Sioux City.

RICHMOND, VA.—T. Coleman Andrews, Jr. discussed the Hoover Report at the dinner meeting of the Richmond Association of Credit Men. A member of the Richmond insurance firm of McCue, Alsop & Elliott, Mr. Andrews is former U.S. commissioner of internal revenue.

AMARILLO, TEXAS—Wes Izzard, dean of Southwestern commentators and news analyst, was guest speaker at the meeting of the Wholesale Credit Association, Inc.

PHILADELPHIA, PA.—William J. Dickson, managing director, Credit Research Foundation, and director of education, National Association of Credit Men, discussed "Developing Executive Efficiency" at the dinner meeting of The Credit Men's Association of Eastern Pennsylvania.

What insurance can do for credit was the subject of Harry G. Helm, director of public relations, Glens Falls Insurance Company, Glens Falls, N. Y., at an earlier meeting.

BRIDGEPORT, CONN.—"Tax Exempt Foundations" was the topic of J. William Hope, certified public accountant, at the meeting of the Bridgeport Association of Credit Men. Past president of the National Association of Public Accountants, Mr. Hope is president of J. William Hope & Company, Bridgeport.

Dwight W. Michener, economist, Chase Manhattan Bank, New York, addressed a subsequent meeting on economic developments. Mr. Michener is an advisor of the branch policy committee, New York State Bankers Association, and member, government economy committee, National Association of Manufacturers.

NEW ORLEANS, LA.—R. G. Dundas, consul general of Great Britain in New Orleans, spoke on "America's Stake in the Suez Canal" at the luncheon meeting of the New Orleans Credit Men's Association.

HOUSTON, TEXAS—The fiftieth anniversary meeting of the Houston Association of Credit Men heard Dr. W. R. Spriegel, dean of the school of business administration, University of Texas, in a discussion of the business outlook.

NASHVILLE, TENN.—Harry Lester, attorney, spoke on bankruptcy at the dinner meeting of the Nashville Association of Credit Men.

ST. LOUIS, MO.—"What Does Today's 'Hard Money' Mean to You?" was the subject of a panel conducted by the St. Louis Chapter, National Institute of Credit, at Washington University. Dr. Ernest Brandenburg, dean University College, Washington University, was moderator. Panelists were Arthur F. Gerecke, credit manager, Pulitzer Publishing Company; John F. Hallett, vice president, First National Bank in St. Louis; Edward J. Lambur, Jr., partner, Dempsey-Tegeler Company; and Donald E. Miller, assistant general credit manager, Gaylord Container Corporation. P. J. Wilder, credit manager, Century Electric Company, presided.

LOS ANGELES, CALIF.—E. O. Morgan, director, National Sales Executives, addressed the Los Angeles Chapter, National Institute of Credit.

BOSTON, MASS.—"Credit Policy and Prosperity" was the subject of Dr. Wallace P. Mors, chairman, division of finance, Babson Institute of Business Administration, and former economist with the Federal Reserve Bank of Chicago, at the dinner meeting sponsored by the Boston Chapter, National Institute of Credit, and the Boston Credit Men's Association.

MINNEAPOLIS, MINN.—Calvin D. Johnson, assistant to vice president, Remington Rand, Washington, D. C., and former congressman from Illinois, was guest speaker at the dinner meeting of the Minneapolis Association of Credit Men.

CLEVELAND, OHIO—"The Availability and Cost of Money" was the topic of Dr. Pierre Rinfret, vice president and director, economics department, Lionel D. Edie Company, New York. Dr. Rinfret also is lecturer in economic theory and history of economic thought at New York University graduate school of business.

PITTSBURGH, PA.—James N. Land, senior vice president, Mellon National Bank & Trust Company, analyzed prospects for 1957 at the Credo luncheon meeting of The Credit Association of Western Pennsylvania. Subsequent meeting speakers and their topics were: Aaron L. Lambie, assistant treasurer and general credit manager, Blaw-Knox Company, "Cash McCall—A Book Review"; Thomas G. Morris, assistant secretary-treasurer, Pittsburgh-Des Moines Steel Company, "Realistic Approach to a Construction Company's Statement"; and John P. Robin, president, Regional Industrial Development Corporation, "Regional Industrial Development—Plans and Progress."

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